Austria	Sch 15	Italy	L 1100	Portugal	Esc 65
Bahrain	Din 0.650	Japan	Y550	S. Arabia	Rls 6.00
Belgium	BFr 35	Jordan	Fils 500	Singapore	S$ 4.10
Canada	C$2.50	Kuwait	Fils 500	Spain	Pta 95
Denmark	Dkr 7.00	Lebanon	£L 6.00	Sri Lanka	Rup 30
Egypt	£E1.00	Luxembourg	LFr 35	Sweden	Skr 5.50
Finland	Fmk 5.00	Malaysia	Rgt 4.25	Switzerland	SwFr 2
France	Fr 5.00	Mexico	Pes 300	Taiwan	NT $85
Germany	DM 2.00	Morocco	Dh 6.00	Tunisia	Din 0.600
Greece	Dr 60	Netherlands	Fl 2.25	Turkey	L 160
India	Rup 15	Norway	Nkr 6.00	U.A.E.	Dh 6.50
Indonesia	Rp 2500	Philippines	Pes 20	U.S.A.	$1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,077 — Thursday May 19 1983 — D 8523 B

International debt plan of action, Page 21

NEWS SUMMARY

GENERAL

Argentine 'killing' sparks protests

A political storm is brewing in Argentina after the alleged kidnapping and killing of a Peronists' Party member by security forces.

The Peronists have described as a "farce" the official police statement that Sr Osvaldo Cambiasso, a former university professor, has been killed in a gun battle. They claim he was kidnapped.

The row is expected to heighten *the tension over Argentina's "disappeared."* Protestors are planning a human rights demonstration for tomorrow.

'Heal Nato rifts' call

The authoritative International Institute of Strategic Studies has called for major efforts to heal the rifts between the U.S. and its European allies. Page 2. Dutch coalition split over nuclear weapons. Page 22.

Inquiry on Minister

A Turin magistrate is said to be investigating claims that Italian Finance Minister Francesco Forte tried to stop a police search of local socialist party offices in an anti-corruption inquiry.

Fears of EEC decay

West Germany said the Common Market was threatened with stagnation and slow decay. The warning came in a policy document, Quo Vadis Europa, by Foreign Minister Hans-Dietrich Genscher.

Envoy recalled

France recalled its Ambassador to Chile in protest at violations of human rights.

Habib snubbed

Syria is refusing to receive Mr Philip Habib, the U.S. special Middle East envoy, following the Israeli-Lebanese agreement on troops withdrawal from Lebanon. Page 4

Premier arrested

Upper Volta president Jean-Baptiste Ouedraogo had Libyan-backed Premier Thomas Sankara arrested in a "pre-emptive coup" to restore calm, official French sources said.

Squat camp sealed

Police have closed off a black squatters' camp near Cape Town with barbed wire after driving out the occupants with tear gas.

Polls emergency

Sri Lanka was put under a state of emergency after voting ended in parliamentary and local elections marked by violence and bombings.

Gunman surrenders

Rome police were interviewing two Red Brigades suspects yesterday after a post-office siege ended. One gunman had been captured by police; the second gave himself up after holding clerks hostage for five hours.

Bubble ahoy

Welsh artist Peter Jones plans to cross the English Channel in a 50ft plastic bubble. It contains a trapeze for him to sit on, air for 36 hours, and it zips up.

Briefly . . .

Canberra: Australia is cutting immigration by 10,000 a year.

Vienna: Cardinal Franz König warned of "heavy pressure" on Roman Catholics in Czechoslovakia.

Oslo: Soviet dissident Andrei Sakharov has accepted an invitation to settle in Norway.

Budapest: Zimbabwe's Premier Robert Mugabe arrived for talks.

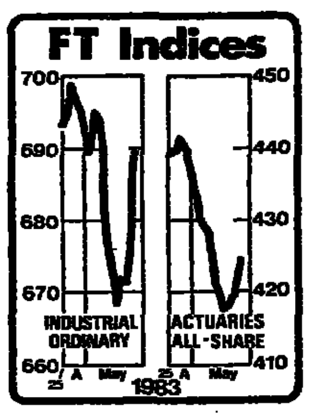
BUSINESS

HK$ falls to record low

● HONG KONG dollar touched a record low of HK$7.003 to the U.S. dollar, breaking through a crucial psychological barrier, in uncertainty about the future of the British colony. It finished above its worst in London at HK$6.9945. Page 4; currencies, Page 44

● WALL STREET: Dow Jones index closed 2.23 down at 1,203.56. Report, Page 37. Full share listings, Pages 38–40.

● LONDON: Leading shares had their best day for more than three months. FT Industrial Ordinary Index added 14.2 to 689.8 Page 37. FT Share Information Service Pages 42–43



● DOLLAR rose to DM 2.4610 (DM 2.4595), to FFr 7.4025 (FFr 7.395) *and to SwFr 2.046 (SwFr 2.045) but* fell to Y232.5 (Y233.05). Its Bank of England trade-weighted index was 122.1 (122.3). In New York, it closed at DM 2.4715; SwFr 2.060; Y233.80 and FFr 7.4225. Page 44

● STERLING was slightly firmer and gained 20 points to $1.559. It rose to DM 3.84 (DM 3.8325), to FFr 11.54 (FFr 11.51) and to SwFr 3.1925 (SwFr 3.1875). It fell to Y362.5 (Y363). Its trade-weighted index was 83.8 (83.7). In New York, it closed at $1.5547. Page 44

● GOLD rose $½ an ounce in London to $443.5. In Frankfurt it rose to $442.75 ($440.75), and in Zurich to $443.5 ($440). In New York the Comex May settlement was 440.1 (443.1). Page 41

● *TOKYO: Nikkei Dow index* added 26.61 to 8,598.8. The Stock Exchange index gained 3.54 to 631.75. Page 37. Leading prices, other exchanges Page 40

● FRANKFURT: Commerzbank Index regained some ground to rise 10 to 936.7. Page 37

● PAN AM abandoned negotiations aimed at raising $55m through the sale of leasehold interest in its passenger terminal at New York's Kennedy airport. U.S. airline and local port authority could not agree on terms.

● HEWLETT-PACKARD, U.S. electronics group, earnings rose 16 per cent to $109m in the second quarter. U.S. domestic orders also rose sharply. Page 23

● *DEUTSCHE BANK*, West Germany's leading commercial bank, said operating profits were up 19 per cent in the first quarter, compared with the same time last year. Page 22

● FRENCH Premier Pierre Mauroy outlined proposals for international action to help economic growth, at a gathering of socialist governments ahead of the Williamsburg economic summit. Page 22

● BRITISH Atlantic Airways renewed its bid to fly between London Gatwick and Kennedy, New York. Page 10

● U.S. has objected to a Belgian project for manufacturing telephone equipment in China because of the transfer of technology.

● *DENMARK is aiming to reduce* public spending by 3 per cent in real terms. Page 3

Bonn budget cuts to fall heavily on welfare spending

BY JAMES BUCHAN IN BONN

The West German Cabinet yesterday reached broad agreement on a budget for 1984 involving deep cuts in the country's welfare spending and a package of tax breaks for business.

As part of its effort to encourage the surge in business confidence which followed its resounding victory at the *March 6 elections*, Chancellor Helmut Kohl's coalition of the Centre-Right is pushing through measures to reduce the burden of state spending on interest rates and encourage lagging private investment.

In the teeth of bitter criticism from the trade unions and opposition Social Democrats, Herr Gerhard Stoltenberg, the Finance Minister, announced yesterday that state expenditure will be held to a nominal increase of only 2 per cent next year with net borrowing no higher than DM 38bn–DM39bn ($15.5–$15.9bn, or under 3 per cent of GNP).

Rounding on his critics, Herr Stoltenberg warned that 1983's net borrowing could only be held to DM 41bn thanks to the taking over of DM 11bn in profits from the Bundesbank, the central bank. Next year, he said, Bundesbank profits would be down to DM 6bn and savings of DM 6.5bn were needed to avoid an increase in taxation which might knock the economic recovery *off course.*

The bulk of the savings will fall on social benefits and public sector pay. However, ministry officials made clear that even in defence spending, it would be quite unrealistic to expect an inflation-adjusted increase that would meet the floor of 3 per cent a year demanded by Nato of member countries.

Yesterday's agreement covered DM 5bn of the proposed savings. Where the remaining cuts will fall will be decided between the different ministries so the Cabinet can reach final agreement by the end of June.

Despite worst-case expectations of unemployment next year of 2.49m, and best-case no lower than this year's expected 2.35m, the deepest cuts affect unemployment benefit. Here, over DM 2bn will be saved primarily through reducing pay-outs to unemployed without children. A further DM 900m will come out of public-sector pay, above all through a nine-month wage freeze described by the chief union *involved* yesterday as "a massive attack on constitutional free collective bargaining." The axe also falls on payments for the state-backed pension fund, the severely handicapped, and maternity leave.

Herr Stoltenberg also announced a *DM 115m* reduction in subsidies to farmers as a "first step" to dismantling state subventions. He made clear that the badly troubled steel and shipbuilding industries could not expect much. Even state borrowing of DM 38bn–DM 39bn was for him "much too high," and the Government intends to push through a step-by-step reduction to DM 25bn by 1987.

On the supply side, Herr Stoltenberg outlined some DM 3.5bn in tax breaks and improved depreciation rates *designed*, above all, *for* small and medium-sized companies. This is to be financed through the gen-

Continued on Page 22

Klöckner still refuses to pay steel fines to EEC

BY PAUL CHEESERIGHT IN BRUSSELS

KLÖCKNER-WERKE, the West German steel producer, is refusing to pay fines amounting to DM 206.6m ($84m) to the European Commission for breaches of the European Community's crisis regulations on the steel industry.

The group will continue to challenge the fines in the European Court of Justice and, if necessary, will pursue the fight in the German courts, arguing that EEC law should not have primacy over domestic law, Klöckner said yesterday.

The Commission's legal specialists doubt whether this approach is tenable. In their view a series of judgments from the European Court earlier this month has taken the legal ground from underneath Klöckner's feet.

The group has five further cases pending before the European Court relating to Commission fines. Judgment is expected towards the end of the year. Should these actions fail, Klöckner would take its case to the German courts, the company said.

The dispute between the Commission and Klöckner concerns the application of a crisis regime to the EEC steel industry under Article 58 of the treaty establishing the European Coal and Steel Community (ECSC).

Under this, the Commission has imposed a series of production quotas and minimum price levels. Klöckner has been persistently fined for overstepping its quotas.

Its unwillingness to accept the quotas stems from differences with the Commission over the capacity of, and the quota for, its modern hot strip mill in Bremen. The mill is operating *at less than 50 per cent of* capacity.

The recent European Court of Justice judgments upheld the way in which the Commission was administering the quota system and rejected Klöckner's arguments for not paying one specific fine.

The Commission now thinks there is no further reason why Klöckner should not pay its fines. It is following what it sees as normal procedures for debt collection, although it concedes that in this case the procedure has been more protracted than usual.

That involves the preparation of documentation which is sent to the German Government for verification and then on to the German courts for the collection of the debt. Under the ECSC Treaty, the German Government has no power to intervene.

Klöckner intends, if necessary, to take its case to the German constitutional court. But, in the Commission, it is felt that the group is simply prolonging the case because it has nothing to lose by doing so.

Like other parts of the EEC steel industry, Klöckner has been running at a loss. It had an operating deficit of DM 48m and expects further losses *during* the *current year* to September. It is planning to cut back over half its steelmaking capacity at a cost of DM 2.5bn.

Brazil 'can meet loan terms'

BY WILLIAM HALL IN WASHINGTON

BRAZIL can still meet the conditions laid down for its $4.9bn International Monetary Fund (IMF) loan, Dr Carlos Langoni, president of Brazil's central bank, asserted yesterday. He was speaking at the end of three days of intensive talks with IMF and U.S. Treasury officials.

Brazil has so far received only $130m of the IMF loan agreed in February, and the rest will be disbursed at quarterly intervals once the country can prove it is meeting the IMF's terms. These include halving the current account deficit and halving the budget deficit as a proportion of gross domestic product.

Dr Langoni, who was in Washington to discuss Brazil's performance in the first quarter of 1983 with the IMF, admitted that the country had deviated from the conditions. He *said, however, that the calculations* involved were complex and he was confident that any deviations could be made up over the life of the three-year programme.

Dr Langoni said that the country's gross arrears, as of yesterday, were $808m, but the net arrears were only $550m. He was confident that these would be eliminated by the end of the year.

Dr Langoni said that the main reason why Brazil had such serious liquidity problems was that commercial banks had not met their side of the bargain and restored their interbank lines by $1.5bn to $7.5bn.

IMF officials expect to have completed their analysis of Brazil's *first-quarter* figures *by the end of* next week, and Dr Langoni said that if they still showed some deviation from the IMF terms, the country would have to ask for a temporary waiver. Even so, he expected the conditions would be met over the *year as a whole.*

The next IMF disbursement is scheduled for May 31, and will only proceed if the fund is convinced that Brazil has met its targets.

Dr Langoni, who said he believed firmly that Brazil would get its next tranche of money from the IMF at the end of June at the latest, played down the importance of the drawdowns in solving the country's short-term cash flow problems.

He will meet New York bankers today to talk about the specific interbank line problem and is still confident that the lines can be restored.

Contrary to recent reports that the size of interbank lines to Brazil had been *falling, Dr. Langoni said* that the situation had stabilised in recent weeks. He was also certain that the country's liquidity problems could be greatly helped by accelerating disbursement of the $10.4bn of trade finance lines *already agreed by the banks.*

Fall in oil imports, Page 6

Foreign banks told to limit UK acceptance credits

By Alan Friedman in London

THE Bank of England has asked about 20 foreign banks, including *Japanese, French, Italian and West* German institutions, to reduce their activities in the £13bn ($20.26bn) acceptance credit market.

The Bank of England meetings with individual banks, which started two months ago, are designed to ensure that foreign banks do not exceed certain limits which it has imposed on the acceptance business.

The meetings reflect concern that some banks have been moving into the market too aggressively and have been using acceptance credits as "loss leaders" by charging very low commissions.

Acceptance credits are short-term commercial bills drawn by a commercial borrower and accepted by a bank, which provides its guarantee of the borrower's creditworthiness. They are instruments which can be traded in the UK discount market. The Bank of England buys such bills as part of its day-to-day operations in the money market.

Its action represents the first time it has reviewed the fast-growing acceptance market since it increased the number of "eligible banks" – those which are eligible to sell bills to the Bank of England – in August 1981. At the time, the list of such banks was nearly doubled to 96; it now *totals 112* banks.

The total of bills in issue has grown dramatically since August 1981, when it totalled around £5.7bn.

The Bank has never imposed any direct limits on the amount of acceptance business banks can do, but it has set limits on holdings of such bills within its own portfolio. These limits are related to a bank's capital and to the proportion of the bank's business conducted in sterling.

The Bank's own portfolio of bills has at times risen to as much as £10bn.

It is believed that by calling in certain foreign banks the Bank is hoping to ensure that these institutions will maintain a balance of sterling business which is not too heavily slanted towards acceptance credits.

Some foreign banks, which are not restricted by similar controls from their own supervisory authorities, are believed to have been bid-

Continued on Page 22

Banks criticise hasty debt packages, Page 3

Conservatives 'to sell over half of BSC'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR, IN LONDON

BRITAIN's Conservative Government wants to sell more than half of the British Steel Corporation (BSC) to the private sector during the next five years if it wins the general election on June 9.

It is also considering turning profitable airports such as London's Heathrow into private-sector companies and selling off majority stakes in various parts of the BL motor-vehicle group, including Jaguar, Land-Rover, Unipart and the truck and bus business.

The main extensions to the Government's privatisation programme are briefly mentioned in the Conservative Party's election manifesto, which was launched yesterday. [Details and campaign reports, Page 8.] It also refers to plans to transfer parts of other state-owned businesses including British Telecom, Rolls-Royce, British Airways, British Shipbuilders and National Bus.

They could prove considerably more controversial than the recent transfer to private ownership of organisations such as National Freight, British Aerospace and Cable and Wireless.

The most politically sensitive are the Government's plans for British Steel, which were spelt out in an interview with the Financial Times by Mr Patrick Jenkin, Industry Secretary, after the publication of the manifesto.

"We hope that less than half of the British Steel Corporation will be majority Government-owned by the time of the next election," he declared.

He has written to the British Independent Steel Producers' Association saying that the Conservative Party's aim is for the whole of the BSC to be in the private sector. But he acknowledges that is too ambitious a target for inclusion in the manifesto, which refers instead to "substantial parts" of the corpora-

Continued on Page 22

Feature & Editorial comment, Page 20; Tory manifesto, Page 8; Union fights steel closure, Page 9

Strasbourg rejects funding proposals

BY JOHN WYLES IN STRASBOURG

THE EUROPEAN Parliament yesterday rejected a major aspect of the European Commission's proposals for the future financing of the EEC.

It also warned that any rebate on Britain's *1983* payments to the Community budget might be blocked in the Parliament unless member governments have made progress towards a new budget financing system by the end of the year.

The parliament supported the *Commission's proposal to raise the* current 1 per cent value-added tax ceiling on EEC budget revenues. It rejected, however, the plan for altering the basis of financing some of the costs of the Common Agricultural Policy so that the UK paid less.

The Parliament's resolution branded the move as a step in the wrong direction. It called instead for payments to the EEC budget to be based more directly on the per capita incomes of member states, *and economic performances.*

This option, which could bring some relief to the UK, has been rejected by the Commission because it would further increase the burden of West Germany's very large budget payments.

It remains to be seen whether the Parliament's stand will seriously undermine the agricultural financing proposal. It is gaining support among member governments

The absence of any easy alternative to the proposal which could reduce British budget payments by between one third and a half will probably keep the Commission true to its original idea.

As for the UK's 1983 rebate, the Parliament reiterated its view that the rebate could be sanctioned only if member governments arrived at "a clear conception of how the Community is to be financed in the future."

No one knows what this means. Socialist group representatives on the Parliament budget committee suggest that the draft 1984 EEC budget would be rejected in December *if it contains special money for* the UK in the absence of an agreement among the Ten on future financing.

CONTENTS

James Buchan, in Bonn, interviews Chancellor Kohl's choice for West German Defence Minister

Manfred Woerner: Flash aviator who believes in defence

CURIOUSLY enough, Herr Manfred Woerner seems to enjoy being West Germany's Defence Minister, a job that has blighted at least two political careers and is likely to be the toughest portfolio in Chancellor Helmut Kohl's coalition of the Centre-Right.

"I believe in defence," says Herr Woerner, 48, a reserve officer with the Luftwaffe who used to potter around his native Baden Wuerttemberg in an old converted jet fighter.

His predecessor, the Social Democrat Hans Apel, left no doubt that he was glad to be out of the immense ministry on the Hardthoehe outside Bonn. Yet Herr Woerner, who was welcomed with open arms by the armed forces when Herr Kohl came to power in October, faces two problems that could make Herr Apel's agonies with cost overruns on the Tornado fighter project look modest.

● Almost certainly, Herr Woerner will need to persuade an uneasy or hostile German population to accept this autumn a first batch of U.S. Pershing-2 nuclear missiles, part of a deployment programme announced by Nato in 1979 as a means of prodding the Soviet Union to talk about its own missiles in the European theatre. The deployment "is not very popular," Herr Woerner said laconically on English television last Sunday.

● He must tackle a looming crisis of men and money for the 490,000-strong armed forces which can only get worse, if tension over Nato deployment poisons the entire security debate in West Germany. Commentators such as Herr Christoph Bertram, a former director of the International Institute of Strategic Studies in London, warn of a "breakdown in the West German political consensus" if the U.S.-Soviet missile negotiations in Geneva fail.

In these circumstances, it is most surprising that Herr Kohl was willing to give away Herr Woerner's job to satisfy the ambitions of Herr Franz-Josef Strauss, the chairman of the Bavarian Christian Social Union (CSU), after the triumphant confirmation of the coalition in power at the March 6 elections.

Herr Kohl, who has got to know the Bavarian in several skirmishes, may well have known that his rival would not return to a post from which he was forced to resign in disgrace after the "Spiegel affair" in 1963. And indeed, he was right. Herr Woerner remains on the Hardthoehe; Herr Strauss is visiting Togo.

After the low-key Apel years, Herr Woerner is credited with doing much to restore morale in the armed forces, while undertaking some much-needed reform in the bureaucracy. Senior officers say his technical grasp makes him a pleasure to brief. His flash aviator's style keeps on the right side of arrogance; his authoritarian manner may well be suited to a ministry which Herr Apel once described as "ungovernable." He speaks English and French well and, like many people in Germany, is a doctor of international law.

Herr Woerner is, however, something of a rarity in enthusiastically defending Nato's 1979 "arm and negotiate" strategy. He speaks of the "fatal political and psychological consequences" of leaving Moscow with a monopoly of Euromissiles. "I do not see actual danger of war. What I see is a change in the power structure in Europe, with Russia exerting more influence on Western European countries and slowly decoupling Europe from the U.S.," he says.

The possibility that one of the 240-odd SS-20 missiles in the European theatre could be launched without an equivalent Nato response puts Europe immediately at a disadvantage in negotiation. Further, with the U.S. perhaps reluctant to retaliate from its own territory, the SS-20 becomes "a classical weapon to decouple Europe. Military power is not simply used in war. The Russians want to win the peace, in peace."

The Defence Minister believes that there is a "slight chance" that the Soviet Union will negotiate seriously in the talks at Geneva which re-opened on

Herr Manfred Woerner

Tuesday and Herr Kohl will do his best in Moscow in July. However, the overwhelming sense in Bonn is that some Pershings will have to be stationed if the Soviet Union, in Herr Woerner's words, are to do more than play the game they have played all along since the war. "They will try to use the peace movement, create fear and anxiety, threaten with one hand and offer something with the other," but n...l, many feel, a serious proposal to scrap most of the SS-20 missiles.

Herr Woerner argues that the landslide result on March 6, while not a mandate for deployment as some in the U.S. Administration thought, has help... "We did not hide our position. Everybody who voted for us knew what would happen in case Geneva did not succeed."

However, as the deadline approaches, opposition could harden. The peace movement, with about 500,000 activists, the trade unions and the two main churches are in varying degrees hostile. The signs are that Herr Apel's SPD will vote to postpone stationing—the first major break in the consensus. Herr Woerner does not rule out violent demonstrations.

To carry through deployment, Herr Woerner needs two things not to happen (although he would not say as much):

● The election of a Labour Government in the UK, committed to a rejection of its share of cruise missiles.

● A return by President Reagan to the bellicose, whack-'em-on-the-head attitudes of the "Empire of evil" and "Star Wars" speeches or a hard line on East-West trade.

Defence circles in Bonn argue that the election of a unilateralist government in London would badly expose the two other definite stationing countries, West Germany and Italy. Whether Bonn actually could go it alone, as has more than once been hinted from Herr Kohl's entourage, is open to question.

At the same time, much depends on Herr Woerner convincing the Germans that the U.S. is negotiating in good faith in Geneva. Here, at least, Herr Woerner is better placed than his predecessor, whose relationship with Mr Caspar Weinberger, the U.S. Defence Secretary, was described by one senior U.S. diplomat as "poisonous."

One possibility which might help the Kohl Government would be a delay or cancellation in the stationing of the Pershing 2 missile, which is regarded with particular hostility by Moscow and horror by the peace movement as it is a first-strike weapon. This was implied in the famous "walk in the woods" understanding between the U.S. and Soviet negotiators in Geneva last summer.

Herr Woerner's insistence on the political value of stationing, as opposed to a simple military balance, has given rise to speculation that there could be a crash deployment of West Germany's share of Cruise this autumn, instead of in 1984-85, to display good will but maintain the pressure on Moscow.

In contrast, the shortage of recruits for the Bundeswehr, caused by a drop in the birth rate, and intense budgetary pressure on equipment programmes seem almost tractable problems. Herr Woerner is in favour of increasing conventional expenditure "to raise the nuclear threshold" but the 4 per cent real annual increase, which General Bernard Rogers, Nato Supreme Commander, would like "has no chance, given the economic and financial situation of the Federal Republic, in the next two or three years."

That stagnant German defence spending has not led to the usual row with the U.S. this time is because the same Administration knows that Herr Woerner "believes in defence."

Divisions in Nato 'could prove fatal'

By Bridget Bloom, Defence Correspondent

THE STRAINS which have developed within Nato over the past few years could prove fatal to the Western alliance unless efforts are made to heal the rifts between the U.S. and its European allies, the authoritative International Institute of Strategic Studies says in its latest Strategic Survey.*

In a gloomy report, IISS notes that the "multiple causes" of the divisions range from public controversy about nuclear missile deployments to conflicting U.S. and European policies on the Soviet gas pipeline and about East-West economic relations generally.

There was still majority support for Nato within its 16 member state, the report says. But "should European public perceptions of the Soviet threat fall, American policies sound more belligerent and economic tensions increase, the alliance would face a severe predicament and collapse would not be out of the question."

Although it was hard to predict what form collapse would take, one possibility was of a "very weak Nato structure, in which a strong U.S. far outweighs a weaker Europe, confronted by a militarily strong and diplomatically skilful Soviet Union."

While Nato's political leaders were aware of the dangers, "some real healing within Nato must begin soon to avoid a drift towards a fundamental change in the alliance." IISS says.

The Institute expresses "deep concern" over possibilities for arms control agreements.

In 1982 leaders on both sides spoke of arms control in sweeping, even radical, terms, but their deeds revealed a more cautious and uncertain approach. Muddle through, rather than breakthrough characterised the pace of the negotiations. The reports say that 1983 is likely to be even more difficult than 1982.

The report concludes that while East-West relations did not deteriorate markedly during 1982, the state of that relationship was already as low as it had been in a decade or more.

The superpower relationship did not appear to be "inevitably and rapidly spiralling downwards" but it was "settling into a trough," into a new pattern that, given the attenuation of the political and economic ties across the East-West divide, would be difficult to alter.

* *Strategic Survey 1982-3; IISS; 23 Tavistock St, London WC2; £5*

Walesa offer rejected

By Christopher Bobinski in Warsaw

THE POLISH authorities have flatly rejected Lech Walesa's latest conciliatory offer of talks, including his recognition of the ban on Solidarity and his commitment to the welfare of the "Socialist state."

At the same time, a party Politbureau meeting has fixed May 31 as the date for an important central committee plenum, which could see the beginning of a hardline offensive on Gen Wojciech Jaruzelski's policies.

The plenum follows a Soviet New Times weekly article criticising Poland's Polityka newspaper, edited formerly by Mr Mieczyslaw Rakowski, Deputy Premier, for publishing "anti-Socialist" articles.

The New Times attack is seen as a warning that Gen Jaruzelski's policies are too "liberal."

The Polish leadership has so far, played down the incident, and the scheduling of the plenum shows that it is confident that it can weather the hardline criticism.

However, both the hardliners and Gen Jaruzelski's supporters will be watching for any more Soviet Press attacks in the next two weeks.

With the Pope's visit four weeks away, observers suggest that it is the period immediately after his visit which will be crucial in determining Gen Jaruzelski's policy.

Meanwhile, yesterday's issue of the Rzeczpospolita newspaper, claims in an article signed Observer, that Mr Walesa is not "credible" for the authorities.

"A decisive 'no' has to be said to Mr Walesa, as his actions contradict his present conciliatory proposals," the paper says.

In a letter delivered to parliament last week, Mr Walesa and officials from other banned unions called for an amnesty and for trade union pluralism under the new trade union law

Privately, officials recognise that Mr Walesa's concession is a significant one.

Yugoslavian holidays for U.S. troops

By Leslie Colitt in Berlin

YUGOSLAVIA, WHICH is faced with reducing its $19bn debt to the West, has decided that the 500,000 U.S. troops and their families in Western Europe are a potential source of hard currency.

Yugoslavia and the U.S. have signed an agreement allowing U.S. military personnel and their families in Europe to use six holiday complexes operated by the Yugoslav People's Army. It is the first time group tours have been made available to a Communist country for the U.S. army and air force.

From next month, U.S. soldiers and airmen will be able to pay $12 per person a day for what is described as first-class accommodation and meals.

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EUROPEAN NEWS

Jacques Delors

Inflation up in France

By David Housego in Paris

FRANCE recorded its worst inflation figures in almost two years last month with the consumer price index rising by 1.4 per cent.

The figures had been expected and were due to several special factors. These include the introduction in April of delayed increases in public sector tariffs, an increase in the alcohol tax to help finance the social security deficit, and higher import prices in the wake of the March devaluation of the franc.

Nonetheless, the April result brings the cumulative inflation rate for the first four months to 3.9 per cent, which is equivalent to an annual rhythm of 11.7 per cent. This makes it highly unlikely that the Government can achieve its target of bringing inflation down to 8 per cent by the end of the year, though M Jacques Delors, the Finance Minister, remained undaunted yesterday.

Emerging from the weekly cabinet meeting he said that the Government's aim remained 8 per cent for the year—"5 per cent for the first half and 3 per cent for the second." He ruled out a new price freeze.

In re-affirming the Government's goal, M Delors' intention is in part to influence the course of wage settlements which the Government is seeking to bring down to 5 per cent by next year in line with its anti-inflationary strategy. M Delors is seeing the leaders of the main unions today and tomorrow.

But M Andre Bergeron, leader of the militant Force Ouvriere union, said yesterday that it was difficult to see how the Government could reach its inflation target. The union yesterday organised a one-hour nationwide strike of its members and a demonstration in Paris culminating at the Ministry of Finance.

The token strike was intended as a "warning" to the Government of the discontent of wage earners and re-assertion of its belief in collective bargaining.

THREE MORE YEARS OF FINANCIAL INSTABILITY FORESEEN

Banks criticise hasty debt packages

BY STEWART FLEMING IN BRUSSELS

MANY commercial bankers expect continued tensions in the world's financial markets as a result of the need to restructure existing rescue packages for sovereign borrowers and the emergence of several new nations needing to reschedule their debts.

Sir Jeremy Morse, chairman of Lloyds Bank, speaking at the International Monetary Conference of leading commercial bankers here, said the financial world was still in "mid-stream" in the rescheduling process.

Other bankers believe that, even on relatively optimistic assumptions, it will be three to six years before problem borrowers are able to restore their financial stability.

Behind these concerns is the acknowledgement that some recent rescheduling packages have been organised with such haste that the assumptions on which they were based are already in danger of being overtaken by events.

The vulnerability of developing countries to changes in interest rates, terms of trade, and exchange rates, and, in some cases, the lack of satisfactory debt management systems explain why some of the first rescheduling agreements have already been blown off course.

Many bankers maintain that the way the world's financial system has coped with the economic shocks of the past decade provides grounds for confidence that the sovereign debt problem will be overcome.

There is, however, concern over how to ensure banks maintain their existing lines of credit at a time when some bankers are convinced that many developing countries with debt problems need additional finance from commercial banks on top of what they have already received, if they are to resume their growth.

According to Mr Jeffrey Garten of Lehman Brothers Kuhn Loeb, the New York investment bank, one of the leading banking advisers to developing countries, the current international strategy, which relies on economic recovery in Western nations, trade expansion, and austerity programmes in less developed countries "is incomplete and inadequate."

He argues the developed world is counting on too many favourable developments coming together in too short a time, that the austerity programme in borrowing countries are too severe, and that the burden of adjustment is being shifted from the financial system to the trade system, which cannot withstand the strain.

More lending, both official and commercial, including net new lending by commercial banks, is needed, he says.

Danes plan 3% public spending cut

By Hilary Barnes in Copenhagen

THE DANISH coalition Government aims to reduce public spending in real terms by 3 per cent next year, according to the Government's May financial survey. Both state and local government expenditure will be affected.

Previous attempts to control public spending have only cut projected increases. Spending has continued to rise by about 3 per cent a year.

The Government's aim is to cut expenditure by DKr 10bn ($1.1bn). This should enable it to hold its budget deficit at a fixed level.

The Finance Ministry now estimates the 1983 budget deficit at DKr 64bn, or about 12.6 per cent of the gross domestic product, compared with a deficit of DKr 69bn which was forecast

Brussels set to sign R and D contracts

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission will shortly sign contracts for some 35 research projects, effectively launching what may burgeon into a European Currency Unit (Ecu) 1.5bn ($1.38bn) programme to wrest from the U.S. and Japan leadership in the international information technology industry.

The contracts are for the pilot programme of the European Strategic Programme for Research and Development in Information Technology (Esprit).

The companies, universities and research institutes now involved in detailed negotiations with the Commission on the form of the contracts are spread throughout the EEC. The Commission would not disclose the companies on the shortlist, but said the breakdown "corresponds to the industrial landscape of the EEC."

ICL, GEC and Plessey of the UK were among the 12 major European groups which last year wrote to the Commission and said that a co-operative effort would be necessary if the EEC as a whole is to retain its place in a quickly developing market of increasing importance.

The EEC Council of Ministers last December approved a Ecu 11.5m budget to fund pilot projects. The Council now has before it a proposal for spending Ecu 750m over five years on Esprit.

The Commission proposes to put up 50 per cent of the funding for approved projects along themes settled with industry on a rolling plan basis. The main aim is to give EEC technology support rather than create immediately viable commercial projects.

Spain sounds warning on wage restraint

By David White in Madrid

CONCERN that Spanish wage rises may jeopardise inflation targets and blunt the country's competitive edge has been voiced by Sr Miguel Boyer, the Economy and Finance Minister.

Sr Boyer's appeal for wage moderation came at the start of a heated parliamentary debate on the 1983 budget, delayed as a result of the change in government at the end of last year and pay talks in the civil service.

Negotiations on the framework of a national agreement between employers' and union representatives, drawn up without government interference, have resulted so far in average basic increases of 11.65 per cent.

Sr Boyer warned that, taking wage drift into account, this could result in an overall increase of more than 12 per cent, the Government's inflation target for the year. Without corresponding reductions in other unit cost factors, he said, this risked either fuelling inflation and compromising Spain's competitive outlook, or hitting the corporate sector and undermining prospects for employment and investment.

The increase so far this year – mostly towards the top of the basic range of 9.5 to 12.5 per cent agreed in the national pact – were higher than last year's despite the aim of a two point cut in inflation.

Austria's coalition Cabinet named

BY OUR VIENNA CORRESPONDENT

DR FRED SINOWATZ, Chancellor-designate, yesterday named members of the new Austrian coalition Cabinet to be sworn in on Tuesday.

Dr Norbert Steger, leader of the liberal Freedom Party, the smaller coalition partner, will be Vice-Chancellor and Minister of Trade. Dr Steger, a lawyer who has been in politics since his student days in the 1960s, has not so far succeeded in a bid to turn this job into an overall command post for economic policy. But the matter is not finally settled.

The chief economic appointment is to the Ministry of Finance which remains with Dr Herbert Salcher, a Socialist brought in by Dr Bruno Kreisky, the outgoing Chancellor, in 1981, and considered very much a Kreisky man.

The Foreign Minister goes to Herr Erwin Lanc, another socialist. As Interior Minister in the outgoing government, Herr Lanc had to deal with terrorism in Austria. He claims to have a good knowledge of various Palestinian movements and is likely to continue Dr Kreisky's sympathetic towards the Arabs.

Dr Sinowatz will announce his programme on May 31. It will have to address several pressing economic problems, among them policy towards deficit-ridden state-owned industry, and the threat of mounting budget deficits.

In 1982, a budgeted deficit, net of debt redemption, of Sch 32bn ($1.8bn) actually turned out to be Sch 47bn. This year's budgeted Sch 48bn (equivalent to 3.9 per cent of forecast GDP) may grow as high as Sch 70bn.

Before the change of government was brought about by the election of April 24, Dr Salcher was committed to plans to increase revenue by a more stringent taxation of holiday and Christmas bonuses, and by imposing a withholding tax on interest paid on savings accounts.

Savings deposits are the most popular savings medium in Austria, and because the law permits accounts to be held anonymously, they are also the most popular means of tax evasion.

The liberals, as advocates of increased rewards for endeavour, appear to have killed the tax on bonuses. The future of the withholding tax remains uncertain. Neither proposal was ever likely to produce enough revenue to close the holes in the budget. Doing so will call for stringent economies and for additional revenue, maybe by raising value added tax.

As well as potential tensions about financial strategy, the new coalition will also face possible difficulties about state-owned industry, a subject handled from the Chancellery.

State-owned industry is concentrated in the steel, engineering, chemical and refining sectors. With few exceptions, the companies concerned are operating at a loss, are engaged in a difficult restructuring process, and have a tenuous capital base. State-owned industry is dear to the socialists: in opposition, the liberals were much less committed

Business confidence rising in EEC

By Our Brussels Staff

BUSINESS confidence throughout the EEC is rising and, according to European Commission surveys, has reached a level unseen since May 1980.

Indicators show that "economic sentiment in the private sector is shifting towards optimism: a development which will lead to positive consumption, investment and production decisions," the Commission said in its latest analysis of EEC business trends.

The results of its surveys are an addition to various signs that the international recession is ending, although order books are not yet fat enough to fill the large excess capacity of the industrial sector.

What the Commission calls its "economic sentiment indicator" was 2.7 percentage points higher at the end of the first quarter than at the beginning of the year. Underlying this change is a 4 percentage point improvement in consumer sentiment, larger hopes for unemployment, the expectation of more orders in the construction industry and the high level of share prices.

But industrialists remain more cautious. Their expectation of higher production rose in March by 5 percentage points, according to the Commission. However, its "industrial confidence indicator," based on assessment of order books and stocks, barely changed in March, compared with February.

The most optimistic chief executives appear to be in the UK, France, West Germany and Luxembourg.

OVERSEAS NEWS

Syria refuses to meet Habib

BY PATRICK COCKBURN IN DAMASCUS AND NORA BOUSTANY IN BEIRUT

SYRIA, in a firm rebuff for the U.S., said yesterday it would not receive Mr Philip Habib, President Reagan's special envoy, who planned to visit Damascus in a bid to persuade the Syrians to withdraw their troops from Lebanon.

The move represents a further escalation of its opposition to the Lebanese-Israeli troop withdrawal agreement signed on Tuesday, although the Syrians yesterday reopened roads linking Damascus to Beirut.

Israel has said it will not pull out its forces from the one-third of Lebanon they occupy until Syria agrees to do the same. President Hafez al-Assad of Syria has said he will never accept the agreement because it is a threat to Syrian security and makes Lebanon an ally of Israel, rather than the Arabs.

Mr Habib was expected in Beirut yesterday afternoon and was hoping to start a shuttle between the Lebanese and Syrian capitals.

A Syrian official, quoted by the official Syrian news agency, said: "We have nothing to discuss with him, especially that he is one of the most hostile U.S. diplomats to Arabs and their causes."

Syria's closure of borders with Lebanon is a tactic used in the past to press Lebanon into taking certain positions. It occurred in 1969, when Syria wanted to push Lebanon into signing the Cairo Agreement giving PLO guerrillas the right of passage into Lebanon with their arms. Syria also closed the border for three months in 1973 when fighting broke out between Palestinian fighters and units of the Lebanese army around Beirut.

Lebanon thus remains vulnerable to closure of its road links to Syria, which cut it off from its main export markets in the Arab world. Recently there have been large convoys of trucks passing the border post en route to the Syrian capital.

The Syrian Government has made plain that it will apply a variety of pressures to weaken President Amin Gemayel. These include giving support to his opponents on both Left and Right, and trying to revive the coalition of Moslem and Left-wing forces which fought the Christians in the 1976 Lebanese civil war.

There has already been fighting close to Beirut between members of the Druze sect and Christian forces, and this might now increase.

The heaviest pressure on the Lebanese Government could come through the Palestine Liberation Organisation if it gave military support to Mr Gemayel's opponents.

Sudan Army puts down southern mutiny

BY OUR FOREIGN STAFF

THE SUDANESE Army has put down a mutiny of troops in southern Sudan according to an announcement by the Army High Command yesterday

The mutiny broke out on Sunday in a company of troops at Bor and Pibor in Jonglei Province, about 600 miles south of the capital, Khartoum.

It was the latest in a series of confrontations in the semi-autonomous southern region. In January southern soldiers strongly opposed transfers to northern posts.

While the original refusal to leave southern posts was on social rather than political grounds the escalation of attacks on the Army and Government installations by groups of what are termed bandits has made the situation highly volatile.

Tension has increased both within the region and between the region and the central government in the two years since the Government announced its intention to re-divide the south.

A recent spate of arrests of southern politicians and leading spokesmen—including the southern region vice-president and the speaker of the Regional Assembly—all opponents of division, have served to increase this tension.

Military operations against the week-end mutiny were decisive and successful, the announcement said. No details of casualties were given. "Huge amounts" of arms and amunition stockpiled in Bor indicated that the mutiny was part of a larger foreign inspired conspiracy against Sudan's security and unity, the High Command said.

The arms source was not identified but Sudan has repeatedly accused Libya of trying to sow unrest in the region. Last February President Jaafar Nimeiri accused Libya of plotting to parachute insurgents into Khartoum to overthrow his government.

Hong Kong dollar hits record low

By Robert Cottrell in Hong Kong

THE Hong Kong dollar weakened yesterday to touch HK$7 to the U.S. dollar shortly before the close of local trading, setting a record low for the currency and breaching an important psychological barrier.

The currency also registered a record low of 74.9 on its trade-weighted index. In London the currency finished above its worst at HK$6.9945.

Dealers in Hong Kong said trading was relatively thin, with little sign of government intervention.

The steady decline of the Hong Kong dollar over the past year is partially attributable to political worries over the future of the colony. Britain's lease over much of Hong Kong expires in 1997, and China has declared its intention to resume sovereignty.

The dollar's weakness also reflects leads-and-lags in Hong Kong's trade. Manufacturers are seeing order books lengthen as Hong Kong pulls out of recession, and they are buying foreign currency to finance raw material imports.

Some analysts expect the Hong Kong dollar to strengthen in coming months as these raw material imports are translated into export receipts.

Pentagon seeks approval for Singapore military aircraft sale

BY KATHRYN DAVIES IN SINGAPORE

THE PENTAGON is seeking U.S. Congressional approval to sell four E-2C early warning and reconnaissance planes to Singapore to boost the island state's ability to monitor movements in the vital Malacca Straits.

If the deal wins congressional aproval, the four E-2Cs will increase the sophistication of Singapore's air force, which already possesses around 100 combat aircraft, including A-4 Skyhawks and F-5E jets. The 4,000-strong air force also has Bloodhound and Rapier surface-to-air missiles.

Mr Lee Kuan Yew, Singapore's Prime Minister, advocates a strengthened anti-Soviet military presence in the Asia-Pacific region, and recently agreed with Japan that patrolling the straits should remain the responsibility of the Association of South East Asian Nations (Asean)—specifically Singapore, Malaysia and Indonesia.

Singapore has also backed Japan's own increased defence profile in the Pacific. Much of the oil tanker traffic from the Middle East to Japan travels through the Malacca Straits.

Singapore, which has a population of 2.4m, devotes a considerable proportion of its national resources — around $700m-$800m—to defence each year. Military service of between two and three years is compulsory for young men and all adult males are liable for reserve call-up. A recent advertising campaign in the local media has sought to identify the strength of the Singapore armed forces with the survival of Singapore itself.

Singapore also has its own flourishing defence industries grouped under a government holding company, Sheng Li. One company, Chartered Industries, recently exhibited its products at the Las Vegas defence exhibition where its Sar-80 assault rifle and the Ultimax 100 light machine gun attracted attention. Singapore hopes to make at least $25m a year in foreign exchange from sales of its home-made weapons.

Congress will be told that Singapore can use the E-2Cs to provide early warning of enemy aircraft and ships in the Malacca Straits and will be able to take counter action against them. The £600m deal includes the price of spare parts and of training Singapore pilots and technicians.

Indonesia links, Page 7

Andropov likely to visit Delhi later this year

BY K. K. SHARMA IN NEW DELHI

ANOTHER effort is to be made at high level to stem the deterioration in Indo-Soviet relations when Mr Yuri Andropov, the Soviet leader, visits New Delhi later this year.

His visit to India will probably be his first trip abroad since he succeeded Mr Leonid Brezhnev, and acceptance of the invitation indicates the importance that the Soviet Union attaches to its link with India, Moscow's closest ally outside the Communist bloc.

After a steady improvement in Indo-Soviet relations since a friendship treaty was signed in 1971, the first signs of strain are now evident. The two countries are having difficulty maintaining a balanced trade relationship, largely because of India's unwillingness to accept Soviet capital goods and equipment which use obsolete technology. India mainly buys crude oil from the Soviet Union.

Talks at foreign trade minister level recently failed to find a solution. These were followed last week with another futile round of discussions between Mr I. V. Arkhipov, Soviet first deputy Prime Minister, and India's Foreign Minister, Mr P. V. Narasimha Rao.

India is under strong pressure to buy more Soviet equipment for steel plants, two nuclear power stations, an alumina plant, and coal mining projects. Although an agreement was signed last week for cheap Soviet credits of Rs 1.4bn (£89.7m) for expansion of the Visakapatnam steel plant, the immediate problem of closing the trade deficit remains.

General resigns key positions in Burma

RANGOON — Brigadier General Tin Oo, widely regarded as a successor to Head of State U Ne Win, resigned from Burma's Parliament and Council of State, a Council announcement said yesterday.

The Council of State, Burma's main government body, gave no reasons for this surprising development. Gen Tin Oo's resignation is also expected to affect his position as Joint General Secretary of the ruling Socialist Programme Party.

The 55-year-old former Military Assistant to Head of State was widely expected to replace the 71-year-old Ne Win.

Ne Win seized control of government in a military coup in 1962, but resigned as president in 1981 while keeping his position as head of the Socialist Programme Party.

AP

Noumea unrest

European settlers took to Noumea's streets yesterday to protest at the arrival of a French minister who is visiting New Caledonia to outline France's plans for the South Pacific territory's future, police said, Reuter reports from Noumea.

M Georges Lemoine, minister for overseas territories, is due to make a key public statement tomorrow on the plans Paris has for giving the territory autonomy.

Colin Chapman reviews the Hawke Government's first three months

Whatever you do, don't criticise the koala

LESS THAN three months after taking office the fledgling Australian Labour Government faces a number of stumbling blocks in its quest for Prime Minister Bob Hawke's much-publicised ideal: a national mood of consensus and reconciliation.

The members of Mr Hawke's Cabinet are hardened and experienced politicians, but as Ministers, they have proved accident-prone. In the past fortnight the Government has faced a series of political embarrassments, most of them of its own making. None is so serious as to make it impossible for Mr Hawke to govern, but each one has eroded Labor's credibility in areas where a few weeks ago it seemed invincible.

Labour had been seen as the party committed to civil liberties until it damaged the career of a leading political lobbyist, Mr David Combe, the former national secretary of the Labor Party, by claiming under protection of parliamentary privilege that he had been compromised by an agent of the KGB, the expelled Soviet diplomat, Mr Valery Ivanov.

Under pressure from both the Opposition and its own backbenchers, Mr Hawke has now been forced to establish a Royal Commission into the activities of the Australian Security Intelligence Organisation (Asio), which provided the information about Mr Combe. The inquiry may or may not vindicate the Government's actions, but it is unlikely to lead to any charges against Mr Combe.

Civil libertarians and the Left-wing of the Australian Labor Party have also been angered by the Federal Government's action in going to the High Court to attempt to suppress the publication of classified Asio documents in a national newspaper.

At the same time, Mr Hawke has had to face a row over foreign policy. His Foreign Minister, Mr Bill Hayden, the man he deposed earlier this year as Labor leader, publicly rebuked his Deputy Prime Minister, Mr Lionel Bowen, for proposing that Japan and Australia could take part in a joint peacekeeping force in Kampuchea. Stating very publicly on a visit to Asia that this was "the first I have heard of it." Mr Hayden said such a suggestion would upset sensitivities in South-East Asia, and made it plain the idea was not being considered.

The Prime Minister has also had to rebuke another Minister, the Attorney-General, Senator Gareth Evans, after it was revealed that Royal Australian Air Force Mirage jets had flown low over the controversial Tasmanian dams site, taking aerial photographs without the approval or knowledge of the Chief of the Air Force Staff. The Federal Government is engaged in a bitter feud with the Liberal Tasmanian state Government to stop the dams being built, and the RAAF sortie has earned Senator Evans the nickname of "Biggles."

Another Minister to be carpeted was Mr John Brown, who has the tourism portfolio, and who managed to upset almost everybody by casting aspersions on the attractiveness of Australia's favourite promotion symbol, the koala. Mr Brown described these cuddlesome marsupials, used by the nation's airline, Qantas, in world-wide advertising, as "flea-ridden, piddling, stinking, scratching animals," and attacked the promotion of Australia as a koala and kangaroo farm, when it really had more to offer.

As if all this is not enough, one of Mr Hawke's principal supporters, Mr Neville Wran, the New South Wales state Premier, and President of the ALP, is embroiled in another Royal Commission inquiring into allegations that he may have influenced a court case involving misappropriation of funds from a Sydney suburban football club. Mr Wran has stood aside as Premier while the Royal Commission deliberates.

While Mr Hawke daily faces painful accusations from the new Opposition leader, Mr Andrew Peacock, that his Government is "inept, naive and foolish," the country's real crisis, over the economy, has remained in the background following the "historic consensus" reached at Mr Hawke's economic summit in Canberra

There is no doubt that the summit built up a considerable reservoir of goodwill among the businessmen, bankers, trade union leaders and federal and state Ministers who took part. There is equally no doubt that this goodwill is showing signs of dissipating as the inflation rate continues to rise, despite the continuation of former Prime Minister Malcolm Fraser's wage freeze.

Unemployment, particularly among the young, is also continuing on an upward path, and trade unionists have become restive to the point where the Australian Council of Trade Unions says it now want full cost-of-living rises for the rest of this year.

This brought sharp rebukes from Mr Hawke and Mr Hayden yesterday.

But the warnings may be too late. The unions' pay revolt comes on the eve of today's mini-budget, in which Mr Paul Keating, the Treasurer, is committed to giving a substantial fillip to the economy in line with the Prime Minister's promise to the Canberra summit.

In 10 days Mr Hawke's politics and economics will be put to the test in a by-election in the Melbourne suburban seat of Bruce. If the voters are angered by the mini budget Bruce will remain liberal, even though a swing of only 0.8 per cent is required for it to go Labor.

هكذا من الاصل

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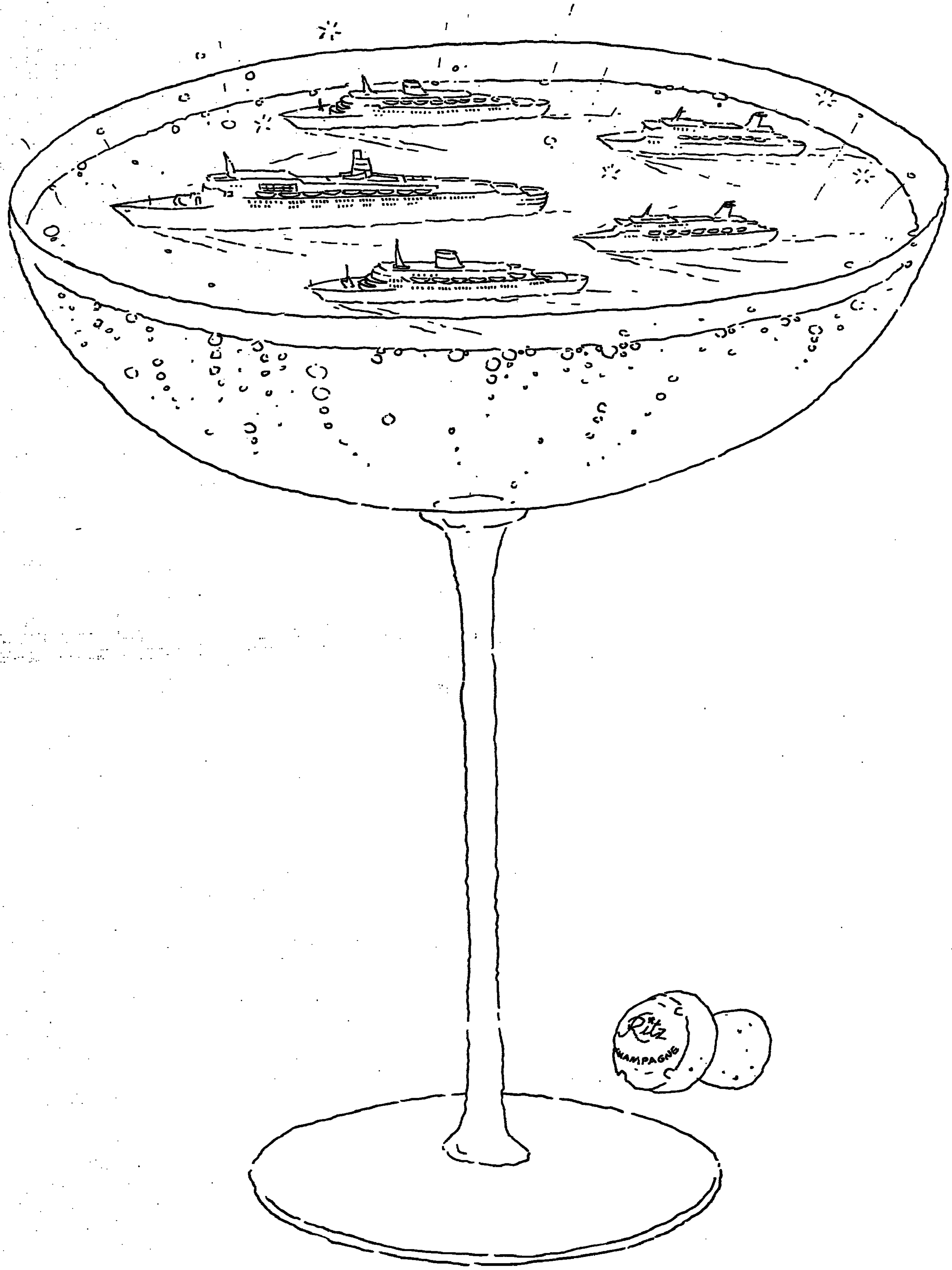

Queen Elizabeth 2, Cunard Countess and Cunard Princess have just been joined by the Sagafjord and the Vistafjord from Norwegian American Cruises. Together, these 5 beautiful ships will be offering passengers more luxurious cruises than any other fleet in the world.

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Philadelphia set to elect first black mayor

By Reginald Dale, U.S. Editor, in Washington

ANOTHER major U.S. city, Philadelphia, looked set to elect its first black mayor following the victory of Mr Wilson Goode in Tuesday's Democratic primary elections.

Mr Goode said yesterday his winning margin of nearly 50,000 votes was larger than he expected. He forecast a decisive win in November's run-off.

With Democratic registered voters in the city outnumbering Republicans by five to one, Mr Goode appears well placed to follow in the footsteps of Mr Harold Washington, who last month became the first black mayor of Chicago after defeating the incumbent Mrs Jane Byrne in the Democratic primary in February.

Unofficial returns showed that Mr Goode had won more than 95 per cent of Philadelphia's black vote and about 25 per cent of the white vote.

The defeat for his opponent, Mr Frank Rizzo, who was mayor of Philadelphia from 1972 to 1980, appears to mark the end of Mr Rizzo's flamboyant and controversial political career.

Fall in Brazilian oil imports

By Andrew Whitley in Rio de Janeiro

BRAZIL'S oil imports declined by 17 per cent in the first four months of the year, producing a useful saving of $450m (£285m) on the country's balance of payments, according to the Ministry of Mines and Energy.

The latest figures show the Government is well on the way to meeting its target of reducing oil imports to an average of 620,000 barrels a day this year, compared with 752,000 b/d in 1982.

A central plank in Brazil's programme of adjustments to its external balance of payments is the halving of imported volumes by 1985 and its replacement by domestic sources of energy.

The sugar cane-based alcohol fuel programme has shown a phenomenal recovery over the past year, according to official figures. The use of fuel alcohol by Brazilian car drivers in April was 92 per cent up on the same month last year.

The Pinochet regime has two uncomfortable options, reports Mary Helen Spooner in Santiago

Echoes of Allende in nationwide Chilean protest

THE NATIONWIDE protests which rocked Chile last week have left General Augusto Pinochet's Government at a crossroads. His regime is faced with the uncomfortable option of either increasing repression, which would further worsen the country's image, or sharply modifying its economic and social policies, which might add to the air of political uncertainty.

There are signs that Chilean officials are seriously considering the first option. Following disturbances in the wake of the funeral of a young taxi driver during last Wednesday's demonstrations, the regime mounted a massive military operation in at least five Santiago working-class neighbourhoods early on Saturday morning.

Thousands of men and teenage boys were hustled into football fields for questioning and identity checks, in a round-up which recalled some of the mass arrests during Chile's 1973 coup d'etat.

The authorities also ordered an opposition radio station, Radio Co-operative, to halt indefinitely its news programmes. A statement by the Government communications agency Dinacos charged that the radio station had contributed to an "artificial climate of agitation and public effervescence" in its coverage of last week's protests.

Earlier this month Chilean newspapers received discreet telephone calls from Government officials recommending them not to publish the text of a statement from the Coppermine Workers' Confederation, which had spearheaded the May 11 protests. The suppressed communique announced that the Confederation was withdrawing its earlier call for a national strike, because of implied threats of violence and the presence of army tanks in the mining centres.

This week, 10 of the Confederation's leaders were charged with violation of Chile's state security law, which carries penalties ranging from 541 days to five years' internal exile or deportation.

The state copper corporation, Codelco, at the behest of the Chilean Interior Ministry, is seeking the removal of 16 mineworkers' leaders from their trade union posts, charging that they violated the labour code in organising the protest.

The authorities have released two detectives implicated in the fatal shooting of a 16-year-old boy during the protests, citing lack of evidence. But 317 people arrested are to be prosecuted in the criminal courts.

The regime also moved recently to prohibit three representatives of the Mothers of the Plaza de Mayo, the well-known Argentine human rights group, from entering Chile. The women had been invited to Santiago by a Chilean organisation of relatives of the disappeared.

Human rights groups in Chile have expressed concern about the appearance late last year of a new security squad. The squad is reportedly made up of men in civilian dress bearing bludgeons who have attacked demonstrators, journalists and passers-by in full viwe of the police during attempted protests last December and on May Day this year.

Chilean officials have denied all knowledge of such a group and Gen Cesar Mendoza a junta member and Carabinero Commander, charged that photographs of squad members appearing in the Chilean Press were falsified montages.

Gen Montero, who acts as Gen Pinochet's strong man, recently commented that Chile's economic crisis had caused the Government to lose popularity among many of its former supporters. This decline in support among the conservative middle and upper classes dates back to the regime's unexpected decision last June to devalue the Chilean peso, after three years' fixed exchange rate and repeated official denials that such a move was under consideration.

"Many Chileans first saw this Government's role as halting Marxism. Then it was to make Chile prosperous," a banker in Santiago commented, "But now the government seems to have lost its purpose."

Ultimately the Government's stability depends not on its popularity, but on the support of the Chilean military, which shows little sign of abandoning Gen Pinochet at this stage.

The recent surge of protest has been accompanied however by just enough violence to convince many of the armed forces that a threat to Chile's internal security persists. In the port city of Valparaiso last weekend a bomb exploded in front of a police station, injuring 11 people, including three children.

During last week's protests residents of many Santiago neighbourhoods banged pots and kitchen utensils together in a demonstration similar to protests by upper and middle class housewives outraged by the food rationing of the Socialist Allende Government overthrow in 1973.

The noise of the pots and pans was heard again this week in Santiago, when the mineworkers' leaders appeared in court. It was an unpleasant reminder for the Pinochet regime that the forces which eventually helped overthrow its predecessor 10 years ago may still be in existence.

THE FRENCH ambassador to Chile, M Leon Bouvier, has been recalled to Paris for consultations following a Cabinet meeting in which last week's arrests of more than 300 people in Chile were discussed, AP reports from Paris.

In a statement to the National Assembly, M Claude Cheysson, the Foreign Minister, indicated that France might take further measures within a few days. He denounced "the increasing number of round-ups and arbitrary arrests"

The French protest follows the publication yesterday of a report by Amnesty International accusing the Chilean regime of systematic torture.

General Augusto Pinochet

Alaska oil leases win lower bids than forecast

ANCHORAGE — Alaska's sale of oil exploration leases yesterday drew bids of only $21m (£13.5m), well below a State forecast of over $500m (£322m).

A total of 116 bids were received on all 42 tracts on offer. The allocation comprised of 212,000 acres made up of an off-shore area in the Beaufort Sea as well as on shore territory. The acreage is close to Prudhoe Bay oil field.

One State official said the sale results were disappointing. But industry sources said that bidding might have been discouraged because the sale included a large number of tracts in which the state received a high 40 per cent profit share.

One high bid in the sale was for $4.1m (£2.64m) made by a joint partnership between Sohio Alaska Petroleum and Exxon. The companies are subsidiaries of Standard Oil Co. (Ohio) and Exxon Corporation, respectively.

Other large oil companies who were apparent high bidders with sole bids on one or more tracts included Arco Alaska Incorporated, a division of Atlantic Richfield, Amerada Hess, and Placid Oil.

Reuter

Change in bank laws proposed

By Paul Taylor in New York

STATE chartered banks in the U.S. should be allowed to underwrite corporate securities, the Federal Deposit Insurance Corporation has proposed. Such a development, if accepted, would mark a further erosion of the existing U.S. banking laws which separate commercial from investment banking.

The proposal is also likely to meet fierce resistance from the U.S. securities industry which wants to maintain the divisions laid down 50 years ago in the Glass-Steagall Act. It also sets the FDIC on a collision course with the Federal Reserve Board.

The U.S. banks are strongly in favour of being given the power to underwrite corporate issues. However, they are concerned about other moves to deregulate the U.S. financial services industry which have so far resulted in non-banks like Sears Roebuck, and securities firms like Merrill Lynch, moving into the traditional banking sector.

INVESTMENT BANK 'ON BLACKLIST'

Salomon Brothers may face Arab boycott

BY MARY ANN SIEGHART

THE long-running problem of the Arab boycott has surfaced again with the recent news that Salomon Brothers, the leading Wall Street investment bank and one of the main participants in the Eurobond market, has been put on the boycott blacklist.

In theory, this means that no Arab bank or investor will be allowed to have dealings with Salomon. Arab banks will neither be able to manage the same bonds as Salomon nor able to trade with them in seasoned bonds.

Such things have happened before. N. M. Rothschild, the British merchant bank, has been on the list for some time, but now plays only a minor role in the Eurobond market.

S. G. Warburg spent about five years on the list in the mid-1970s and fought tooth and nail to retain its position in the market despite attempts from some houses to exclude it from deals.

So what will happen to Salomon? The bank claims it is still doing business with Arab clients, though this may only be temporary.

An official from the United Bank of Kuwait, for example, said: "As far as we're concerned, we're not going to observe the boycott until it is officially announced."

So far, reports of the blacklisting have only filtered out through an issue of the Middle Eastern newspaper Sharq Al-Awsat. An official from the London Arab League office said he had not yet heard the news. But he confirmed that Phibro, the company which merged with Salomon two years ago, was on the list.

"If they merged," he said, "this information would get through to the boycott bureau in Damascus and so Salomon would certainly be boycotted."

Phibro has not been told why it is on the blacklist. One Arab banker suggested it might stem from a previous association with the South African-based Engelhard Mineral and Chemicals Co. Another talked of possible Jewish connections. But as Mr David Mizrahi, editor of the New York-based Mid-East Report, says: "The whole list is very silly. Not even the boycott bureau in Damascus knows what the rules of the game are."

According to Mr Jeff Hordes from the Washington-based Jewish Anti-Defamation League. "It's always difficult to tell why companies are blacklisted.

Mr Mizrahi claims that in practice Salomon may not be too badly affected by any boycott. "The Saudis will have to be much more discreet about dealing with Salomon, but private dealers will probably still use them. Phibro is still selling gold and silver to private Arab businessmen."

While private trading could continue unofficially, public dealings with Arab institutions might have to cease. Since a list of banks involved in each bond issue appears in the press after the event, this means that Salomon might not be able to join a publicised "management group" which includes Arab banks.

It is quite likely, though, that this would hurt the Arabs more than Salomon, as the new issue manager from one large U.S. house explained.

"For U.S. firms, this is a big problem because it is a criminal offence to comply with the boycott. If we don't include Salomon, it will look like we are complying. So faced with a choice between a Kuwaiti bank and Salomon, we would have to drop the Kuwaiti. But it's going to make life difficult for everybody."

Japan urged to strengthen defence capabilities

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

JAPAN SHOULD strengthen its defence forces as part of a "co-ordinated strategic approach" to world security problems to be agreed with the U.S., a report by a panel of American and Japanese policy experts urged yesterday.

The report by the United Nations Association of the U.S. and the Asia Pacific Association of Japan, said that "as a first priority" Japan should strengthen its defence capabilities, move expeditiously to improve the quality and readiness of its armed forces, and correct their "serious logistic deficiences."

In a new move to reinforce mutual consultations and consolidate U.S.-Japan relations, the U.S. should reaffirm the permanence of its security commitment to the Pacific region, while Japan should assume a greater share of the defence burden and increase its aid to Third World countries, particularly in East Asia, the report said.

The two countries should hold more frequent and regularly scheduled bilateral summit meetings on broad strategic issues—ranging from relations with the Soviet Union and China, to the defence of wormld sea lanes and arms control. The aim would be to inject "long-term continuity" into relations between the two countries, which had not kept pace with international developments.

The report's authors were vague about precisely what Japan's strategic role should be, leaving this to be worked out between the two Governments. They stressed, however, that the debate over Japanese defence spending should be shifted from arguments over cost figures and percentages of Gross National Product by giving priority to the definition of defence roles and missions.

WORLD TRADE NEWS

Mitsui cautious over resumption of work on Iranian project

BY CHARLES SMITH IN TOKYO AND TERRY POVEY IN LONDON

MITSUI, the main Japanese participant in the long-delayed Bandar Khomeini petro-chemical project in southern Iran confirmed yesterday that resumption of work on the complex did not depend on an end to the two-and-a-half-year old Gulf war.

Instead the company is seeking unspecified "guarantees of security" for the site. Iraq recently advised the Japanese that they consider the project a military target and urged them not to resume construction work.

In Tokyo yesterday, company officials were expressing considerable caution over the outcome of the recent talks which led to the signing on Tuesday of a memorandum of agreement between the two parties—Iran's National Petrochemical Company and the Iran Chemical Development Company (80 per cent of which belongs to Mitsui and associated companies).

The main concern was the possible Iranian reaction once the costing of the project had been revised following inspection by Japanese experts. According to one Mitsui official "at least another Y500bn ($2.1bn) will be required to complete the project."

If the engineers' inspection of the complex, hit several times by Iraqi bombers and idle almost continuously since the Islamic revolution, confirms this figure, then the total cost could rise to more than $5.5bn—making it arguably the most expensive petrochemical plant ever constructed.

According to the same official Mitsui considers the complex "totally unfeasible economically" and the company has only agreed to complete the project because Iran has agreed to cover all additional costs involved.

When it was originally schemed in the early 1970s, the Bandar Khomeini complex was costed at $500m. By the 1979 revolution, this had risen to $3.5bn with some 85 per cent of the construction work completed. In the meantime, the site has been raided by Iraqi Migs.

Asked why Mitsui thought Iran was so determined to finish a plant which by any international standard of comparison could never be expected to pay for itself, an official claimed that "it has become a matter of national prestige for them, they want to prove to the world that they can finish and then operate something of this size."

Soviet chemical industry set to order more plant

BY ANTHONY ROBINSON, MOSCOW CORRESPONDENT IN LONDON

WESTERN chemical plant manufacturers may shortly be receiving inquiries from the Soviet chemical industry to produce sophisticated equipment incorporating patents and licenses developed in the Soviet Union but which the Soviet plant industry is unable to make.

This was announced by Mr Z. Polyakov, deputy minister of the chemical industry at a UK-Soviet trade conference in London. UK chemical companies expressed an interest in providing such plant.

The Soviet chemical industry and the gas industry are two of the fastest growing sectors of Soviet industry and heavy investment is expected to see the chemical industry's share of Soviet GNP rise from 8 per cent in 1980 to 12/15 per cent by the end of the century, Mr Polyakov said.

The high-level Soviet trade delegation is headed by Deputy Foreign Trade Minister Alexei Manzhulo, who said that UK firms are currently negotiating orders with a potential total value of 1bn roubles.

Speakers at the conference also identified major export prospects in the Soviet food programme, especially for food processing, preserving, packaging and refrigerated transport and storage facilities. Some 33 per cent of the entire civilian investment budget is annually expected to be dedicated to agricultural modernisation up to 1990.

Hitherto, much of the potential attractiveness of the Soviet market has been the opportunity for large-scale projects. The emphasis in future, however, is likely to be on smaller contracts for specialised plant and equipment required to re-equip and modernise existing facilities rather than in new green field, turn-key projects.

The need for higher productivity and technological renewal extends over a wide range of Soviet industries, including the automotive industry and Soviet foreign trade enterprises believe this provides opportunities for small and medium companies with relevant technology.

The UK has slipped from second to ninth in Soviet trade with the West over the last decade and last year the UK trade deficit rose sharply to £289m from £11m in 1981 with exports of £356m and imports of £645m.

● M. Golodetz (Overseas), one of the most active trading companies in UK-Soviet trade and the first Western company to open a representative office in Moscow in 1968, yesterday signed a five-year co-operation agreement with Soyuztransit and six other foreign trade organisations.

Grounds for protectionist measures 'often spurious'

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

THE HIDDEN costs of protecting domestic industry from foreign competition nearly always outweigh the visible employment advantage, according to a study of the "new protectionism" published today.

The authors examine the commonest justification for protection and conclude that they are "for the most part misleading, meretricious or simply wrong." But because they are gaining ground in all countries, they should be taken seriously, they add.

Among the devices studied are bilateral voluntary export restraints — increasingly applied to Japanese goods — domestic industrial subsidies, and quota arrangements.

All these have multiplied in recent years, eroding the principles of the General Agreement on Tariffs and Trade (Gatt), the study says.

Mr Hugh Corbet, director of the Trade Policy Research Centre, publishers of the study, claims in a preface that the survival of Gatt itself is now in question. "The choice facing the world economy for the foreseeable future is quite stark. Either it has Gatt rules or it has none."

Talks of a new set of rules to replace Gatt was "either deep foolishness or shallow hypocrisy." The failure of last autumn's Gatt Ministerial conference to reach any agreement of substance made talk of a new system unrealistic.

The authors of the study, Dr Brian Hindley and Ms Eri Nicolaides, say that non-tariff barriers to trade such as voluntary export restraints, are popular with politicians trying to appease domestic industrial lobbies. This is because the resulting cost to consumers in terms of higher prices for native and imported products is not usually made clear.

Protection for jobs in one industry usually meant the loss of jobs in other export industries, as competitors' goods are diverted to third markets. In a floating exchange rate regime, protection was "a very weak instrument" for creating employment and might well have the opposite effect, they argue.

Taking the New Protectionism Seriously, by Brian Hindley and Eri Nicolaides; Trade Policy Research Centre, Gough Square, EC4; £3.

France wins Abu Dhabi contract for Mirage jets

BY DAVID MARSH IN PARIS

FRANCE has clinched an important contract to supply Abu Dhabi with 18 Mirage 2000 jet fighters, making the Emirate the fourth foreign customer to order the technologically-advanced combat aircraft.

The deal, agreed this week after six months of discussions, gives Abu Dhabi an option to purchase a further 18 jets if needed to boost its air force. The aircraft, made by the nationalised Dassault-Breguet company, will be delivered from 1985 onwards.

The Mirage 2000 will form the backbone of France's own airborne forces in coming years, with more than 160 planned to be ordered by the French airforce between 1984 and 1988.

Abu Dhabi has a long history of arms deals with France. In 1972 it bought 32 of the previous Mirage 5 model. Its fighting forces are equipped with French helicopters, anti-tank missiles, tanks and machine guns — as well as the notorious Exocet sea defence missile.

● The Soviet Union has decided to pull out of exhibiting aeroplanes and helicopters at the Paris air show which starts next week, apparently because of the cooling of Franco-Russian relations following the expulsion of 47 alleged Soviet spies last month.

Greeks may buy British combat aircraft soon

By Victor Walker in Athens

BRITAIN'S Minister of Defence procurement, Mr Geoffrey Pattie, left Athens yesterday convinced Britain has "an excellent chance" of selling Tornado aircraft to the Greek Air Force.

During a two-day visit, Mr Pattie had talks with Premier Andreas Papandreou and Defence Ministry officials, and visited the Hellenic Aerospace Industry at Tanagra.

The purchase, the largest-ever by Greece, will be of at least 60 and possibly 100 aircraft. A decision is expected by the end of June.

Informed sources say consideration has narrowed down to four aircraft types: the American F-16 and F/A-18 Hornet, the French Dassault Mirage 2000, and the Tornado built by Panavia, the British-West German-Italian consortium.

It is believed that if the decision is to buy 60 aircraft one of the U.S. models will be preferred. If the order is for 100, it will be split between American and European manufacturers.

Kathryn Davies in Singapore on the implications of Indonesia's economic difficulties

Singapore reassesses links with Indonesia

SINGAPORE-BASED businessmen, oil refiners and bankers are assessing the implications of neighbouring Indonesia's current economic difficulties, which are having a direct impact on the city state.

Oil refiners have been worst hit, but the tourist-related industries are also suffering. Local manufacturers are wary of investing in Indonesia, despite the devalued rupiah, until the picture becomes clearer.

A combination of reduced Indonesian demand for oil, the countertrade or barter-system now insisted on by the Indonesian oil company Pertamina and the completion of two more large refineries in Indonesia itself are expected to reduce Singapore's role as a refinery — at present it ranks third after Houston and Rotterdam.

A Singapore oil executive who recently visited the new refinery at Cilacap in central Java, says that construction is proceeding on schedule and it will begin operations in mid-summer.

Cilacap has a refining capacity of 200,000 b/d, as does an expanded refinery in the Indonesian Borneo town of Balikapan, which, says the executive, has not been significantly delayed and will also come on stream by the year-end.

This means that from a total last year of around 210,000 b/d sent to Singapore refiners, in future Indonesia will only need to send around 70,000 b/d to 80,000 b/d. Singapore's total refining capacity is 1m b/d although it is only operating at 75 per cent capacity, down from 85 per cent a year ago. Shell alone reduced its refining capacity by almost half in February.

Refiners and oil traders have also been forced to accede to Indonesian demands for a counterpurchase policy, selling kerosene and diesel to the Indonesians in return for around 60,000 b/d of Indonesia's low sulphur waxy residue. At the same time, domestic demand for oil products in Indonesia has dropped in response to recent price rises and Pertamina is buying less in order to deplete its already overburdened stocks.

The industry has drawn little comfort from the recent announcement by the Indonesian Government that one major refinery had been "rephased." The plant, costing $1.5bn, was to have been built on the Gerong River near Plaju by a Japanese consortium.

The impact of these developments on Singapore's economy overall is serious. The refining industry accounted for 40 per cent of industrial output last year and one-third of the republic's total trade. (Singapore does not publish trade statistics with Indonesia because of expected discrepancies between Singapore and Indonesian figures, caused by the volume of smuggling between the two states.)

A further reflection of Indonesia's economic woes has been starkly felt in Singapore's tourist industry, where the recent 27.5 per cent devaluation of the Indonesian rupiah and the imposition of a heavy exit tax has reduced Indonesian arrivals by more than 40 per cent in the past 12 months.

Singapore bankers say they are watching the situation in Indonesia with anxiety and there has been a decline in interbank lending to Indonesia. Banks are also less interested in becoming involved in syndicated lending. Bankers note that terms and conditions for lending to Indonesia had toughened in the past 12 months.

Despite the devaluation of the rupiah, there is little move by Singapore companies to invest in Indonesia, although there is still interest in investing in the offshore industrial base of Batam. Potential investors say that although Indonesia may look atractive from their point of view, there is likely to be no major rush into the area until the inflationary impact of recent economic measures can be judged.

Suharto specifies curtailed projects

PRESIDENT Suharto of Indonesia yesterday cleared up some of the confusion surrounding Jakarta's moves to trim its heavy industrial programme, which has clearly dealt a stunning blow to foreign contractors. Two weeks ago the Government announced that at least $5bn worth of projects would be delayed. Subsequent news reports have indicated that up to $10bn in contracts could be rescheduled. At the same time, many contractors have claimed their projects were not affected, Richard Cowper writes from Jakarta.

● Construction of a $600m alumina plant, the contract for which had been won by Kaiser Aluminium and Kaiser Engineers of the U.S. and Kloeckner Ina of West Germany would be "temporarily suspended". Design and engineering work is to go ahead, but it seems clear there is little immediate chance of this project starting.

● Part of a $1.5bn aromatics petrochemical complex would continue to be implemented, but the project will be reduced. Contracts to build and design the complex had been awarded to Thyssen Rheinstahl of West Germany and Kellogg Overseas of the U.S.

● The $1.35bn oil refinery at Musi will not go ahead. Instead, renovations to raise productivity at the older facilities will be carried out, a blow to JGC of Japan, for whom it was the first major Indonesian contract.

● A $1.6bn olefins petrochemical complex is to be effectively suspended with the President's decree that the heart of the complex producing ethane and ethylene would not go ahead.

The President, whose word is final, did not make any reference to two other major projects — a $4.9bn electrification scheme and a $90m coal-mine expansion—now said to be under the Government axe.

COMMUNICATIONS IN BUSINESS AND SOCIETY

MARUBENI: Unity of the ordinary creates success

By Geoffrey Murray

Taiichiro Matsuo is well-known in Britain through his work in promoting British sales in Japan as the Chairman of the British Market Council. In the interview, a question about his personal business philosophy produced an immediate response. An English version of "Marubeni's six guiding principles" hangs prominently on the wall of his Tokyo office overlooking the sprawling Imperial Palace. It declares: "Let us acknowledge our individual insignificance and seek strength in our combined efforts. Let us act always with justice and good faith, with freshness and vitality, avoiding arrogance and exemplifying humility." He wants all Marubeni's 10,000 employees at home and abroad to live by his creed in all their business activities and contacts with society. And in his own daily life he certainly practices what he preaches, ensuring that this is no empty slogan.

Murray: You have been in business a long time. I wonder, how would you summon up your personal business creed?

I dislike elitism

Matsuo: Above all, I dislike the whole idea of elitism. In Marubeni, we have some 10,000 employees, including some 2,500 locally-hired staff overseas. When we speak about productivity we are concerned with something somewhat different than a manufacturer. I believe that instead of emphasizing the importance of a small number of elite we can achieve a better overall capacity by uniting many ordinary people. Some people say you have a central core of outstanding individuals in order to achieve business success. But I don't think we can achieve our full capacity as traders in this way. You see Marubeni's "six guiding principles" hanging on the wall, there. When I became president of this company I began strongly pressing this idea of the harmonious unity of the ordinary people. I earned something of a nickname for it. But, in a factory if you have one machine that is working well while the rest are functioning at a lower level, you cannot possibly achieve good production. It is going to be uneven. The same thing applies to a trading company like Marubeni, where our main asset is people. If certain parts of the company are working better than others it is not going to produce the best results. And I think this idea should be reflected in the merit rating and assessing the employee's capability for promotion and distribution of pay. We follow the traditional seniority-based promotion and pay-raise system. Some people are criticizing this concept now and promoting the idea of creating business elites. But I think that, although there may be some weaknesses that need correcting, the present system is best in helping our staff achieve their full potential.

Murray: What reaction do you get from new staff to this concept?

Matsuo: Well, that is an interesting point. On April 1st we had an entrance ceremony for 100 new employees...male university graduates. When they were given a chance to speak, they talked as if they were already divisional managers or even the president of the company. Their talk was all of new policies. So, I told them they should regard themselves as having just become ordinary soldiers, part of the rank and file. They are talking about policies now, but when they really become top executives in the distant future their ideas will have become obsolete. So I told them not to talk so big, but to humbly study the situation in their own departments. When I joined Marubeni back in 1934 I never talked like these young men of today. But perhaps it is an indication that the company will be in good hands in the future, with men of greater competence than the present ones.

Taiichiro Matsuo
Chairman

Strong Desire for Peace

Murray: Within Japanese business today, there is a great deal of talk about social role and responsibility. What are your views on this?

Matsuo: This is certainly very important. Basically, we want to contribute to world peace and economic development. You might say that this is for the politicians, so why should an ordinary businessman be talking in this way. Actually, I believe we have a stronger interest in and commitment to world peace than any of the diplomats or politicians. You could describe it even as a passionate commitment. The reason is that without peace we lose business opportunities and money. This may sound very mercenary, but it is a basic fact of business. Without peace and steady economic development our business will decline. For example, I believe we have a responsibility to contribute something to the communities where we are located. This is particularly true in developing countries. If we can help in some way to strengthen their economies then there will be more business opportunities for our mutual benefit. That is why we have such a strong interest in the so-called North-South problem. As a company, of course, we must survive. We have an obligation to pay salaries to our staff, dividends to our shareholders and make loan repayments to the banks. We have to keep faith and keep our company strong. If we concentrated all our efforts on making contributions to society in different countries we would go bankrupt. So, there has got to be a balance. Having said that, however, I believe we are making a small effort towards the betterment of society. We have the Marubeni Fund, which operates only domestically for the moment, contributing about 100 million Yen a year to help organisations for the mentally and physically handicapped. We also make contributions from time to time to hospitals abroad, and also help Japanese schools overseas. I would estimate that we contribute about 60 million Yen a year in Japan and overseas. When the U.K. office celebrated its 25th anniversary for example, they stopped holding the party for the anniversary, and made donations instead to hospitals in the U.K. I hope we can do even more in future as business conditions permit.

Murray: How is the role of the general trading companies changing?

Matsuo: I think we have now evolved into a distinctive industry. The generic term "Sogo Shosha" is now in the dictionary! Each firm has evolved in a different way, like a textile trader expanding into other business lines or a steel product trader seeking new business opportunities. The one common characteristic today is that we handle an extremely wide range of products that makes us unique in world trading. Gradually our role has been changing and I am sure it will continue to evolve as business conditions change. One very important area today is finance. For example, when Japanese machinery or plants are sold domestically or overseas, the customer very often cannot pay cash. This is particularly true of developing countries. So, we have developed a role as middleman, arranging for leasing or deferred payment through long-term loans. In the case of plant construction, more than one firm is involved. Construction companies will have to be called in for the civil engineering work. In some parts of the world, like Africa and the Middle East, this could mean British or other European engineering firms. As a result we now play an important role organizing and coordinating large-scale overseas projects, which benefit not only Japanese industry but also those of other countries too. Over 60 per cent of our business is now overseas. As a result, we now have 145 overseas offices, actively gathering information and looking for new business opportunities. Many of these now involve "third country trade" — helping to sell the goods of one country to another, rather than Japanese bilateral importing or exporting. We cannot afford to stand still and follow the old patterns. Looking at our present divisional set-up in Marubeni, there are areas like aluminium, natural fibres, sugar, paper and pulp which are no longer doing well. We are now putting a very strong emphasis on research and development to seek new areas of business, not only visible, tangible hardware, but software aspects as well. Previously, R & D was handled by each department in the company, but in April we formed a corporate development department to produce a concentrated, overall effort.

New Communications System Vital

Murray: We are now in the so-called communications era, when high technology, knowledge-intensive industries are replacing the traditional basic materials-handling ones. Where do you fit into this picture?

Matsuo: In order to succeed in business we have always placed great stress on good communications and outstanding information. One example that comes to mind is the constant study of weather reports from around the world to help us anticipate future price trends in internationally-traded agricultural commodities. All our domestic and overseas branches are connected to the head office by telex. There are an average of 57,000 messages pouring in here every single working day. We reckon that is about equivalent to trying to read 1,400 pages of your favourite daily newspaper. We are now studying how to strengthen this function, eventually leading to a global on-line data communications network. As a step in this direction we launched a joint venture in Japan this April with the American company Tymshare. This Private Time Net System will market software (information) from Tymshare to Japanese clients. We think there is great potential for expansion of this function as a new business for Marubeni.

(Profile) Marubeni Corporation recorded a total trading volume of Yen 11,876 billion in the year ended March 1982, 15 per cent higher than in the previous year. The consolidated net income was Yen 1.6 billion. Marubeni employs more than 10,000 people and is capitalised at Yen 43 billion. Founded in 1858 around the textile trade, Marubeni now has seven major groups dealing with metals, machinery, textiles, development and construction, energy and chemicals, agrimarine products and materials and miscellaneous products. Roughly 36 per cent of the trading is domestic, 27 per cent is exports, 19 per cent imports and 18 per cent offshore trade.

UK NEWS

Britain's 'greens' field 100 candidates

By Ian Hargreaves

IT MIGHT not seem the most propitious way to launch an election campaign by rolling around the floor with a stick of celery in your mouth in front of the press and television cameras.

However, Ian Lambert, aged seven months, was there on the platform yesterday for the launch of the Ecology Party's programme. It looked like a real attempt to break the traditional mould of British politics. But Ian's mother, Mrs Jean Lambert and one of the party's three co-chairmen, denied it.

It was just that Ian's father, she said, was too busy writing his Ecology Party election address and she, like mothers everywhere, was left with the baby.

The Ecology Party is, however, interested in breaking moulds. As Jonathon Porritt, a schoolteacher who at 32 is the party's elder statesman, said: "The other parties are failing to meet the needs of this country, let alone the needs of planet earth."

It is in defence of planet earth that the Ecology Party, known to intimates as Eco, but publicised with an eye across the Channel as "Britain's green party," is this year fielding a record 100 candidates, compared with only 53 last time.

The aim, Mr Porritt said, was to win 5 per cent of the vote in seats contested, compared with 1.6 per cent in 1979, to demonstrate that the British greens can match their more famous West German counterparts.

They will then take their place as martyrs in the movement having, unlike the Germans, who are now in the Bundestag, gained nothing for their efforts but 100 lost deposits at £150 a time.

The Ecology Party pointed out that one in four of their candidates were women.

The party's election manifesto will not be ready until next week. But the Financial Times can reveal that it will highlight three issues: the banishment of nuclear power, the creation of socially useful "good work" jobs – such as insulating lofts – and the protection of the environment from chemical attacks.

Alliance policies 'would cut 1m off unemployment'

BY KEN FERRIS

MR DAVID STEEL, the Liberal leader, said yesterday that the policies of the Social Democrat/Liberal Alliance would reduce unemployment by 1m in two years and would increase the gross domestic product by 4.9 per cent in 1984-85, according to the Treasury's economic model.

"The fact is that our programme is not a new one cobbled up for this election," he said. "It is one which was produced as a result of a joint commission of our two parties many months ago."

He added: "The result of putting our figures through the Treasury model indicates that our election commitment to get unemployment down by 1m in the first two years of a new parliament holds firm."

Mr Steel said there was nothing inevitable about unemployment and that it was ridiculous for Conservative leaders to "flap their hands in a pathetic display of helplessness."

He cited the latest industrial production figures, showing a drop in output of almost 1 per cent in March, as evidence of how weak the Government's claims of an upturn have turned out to be. "For the Government, success is always just around the corner," Mr Steel said.

Mr William Rodgers, of the Social Democratic Party, drew a clear distinction between the mild reflationary policies of the Alliance and the expansionary programme adopted by President François Mitterrand in France.

Mr Rodgers said the policies pursued by President Mitterrand were like the centralised bureaucratic controls and plans for nationalisation characteristic of the Labour Party's programme.

"We are very different in this respect. We want to get off the backs of industry, to allow entrepreneurs and businessmen to get on, with some help from government," he said.

"We do not want vast new planning machinery and we have no intention of nationalising any new companies, least of all the high street banks."

Mr David Steel

Steel's helicopter ruffles feathers

By Ivo Dawnay

MR DAVID STEEL helicoptered into the byzantine politics of North-West Clwyd in Wales yesterday, unaware that his arrival had triggered the biggest political controversy there since Sir Anthony Meyer wrestled the nomination for this Tory stronghold off his colleague in the European Parliament, Miss Beata Brookes.

The row centred on Mr Steel's flamboyant mode of transport. Local Liberals had argued for helicopter landing rights on Rhyl's seafront promenade or, in other words, parity with television personality Mr Terry Wogan, who was accorded this honour when he opened the town's model railway.

But to the independent, though Tory-minded, council, opening railways is one thing, opening new vistas in British politics is another.

The council argued, Liberals said yesterday, that either Mr Steel arrive with a £5m insurance indemnity or alternatively he could land on a concrete island in the boating pond, and paddle to his electorate.

As ever in politics, a muddy compromise was reached with Mr Steel landing a mile down the road at the Robin Hood holiday camp.

The speed of the visit – not more than 15 minutes in the town – made several onlookers wonder whether it was worth the trouble. The party leader grabbed a microphone, delivered a precis of a speech and handshaked back to the car.

But not before being grabbed by an awesomely stocky elector. "Why is it," he asked, tightening his grip harder on Mr Steel's reluctant hand, "you politicians can't come out and say that we are going through a social revolution?"

As his hand whitened, Mr Steel's smile became a wince, his aides hovered nervously and the crowd hushed a little. Then, that everyday political miracle took place as principal transformed itself to pragmatism. "We are going through a social revolution," Mr Steel agreed.

The iron wrist relaxed and the leader slipped gratefully away

Labour pledges jobs before wage claims

BY IVOR OWEN

MR MICHAEL FOOT, the Labour Party leader, said yesterday that a Labour government would rely on trade union co-operation to ensure that measures to create jobs for the unemployed and to raise the living standards of pensioners, and others dependent on social security, had priority over wage claims.

He ruled out a statutory incomes policy or the introduction of across-the-board pay "norms" target settlements. He rejected suggestions that the absence of such measures would lead to a wage explosion and a return to hyperinflation.

Both Mr Peter Shore, Labour's Shadow Chancellor of the Exchequer, and Mr David Basnett, leader of the General and Municipal Workers' Union, who yesterday shared a press conference with Mr Foot, acknowledged that a Labour government would need to reach a speedy agreement with the unions on the allocation of resources as part of the promised national economic assessment.

Mr Shore spoke of the possibility of "an emergency budget" ahead of the publication of a public expenditure programme which took account of the agreements arrived at through the national economic assessment.

When asked what action would be taken if any trade union reneged on agreements reached through the national assessment, Mr Foot replied: "We have to continue to persuade."

Mr Basnett confirmed that the trade unions were fully and totally committed to Labour's programme and in particular to the national economic assessment.

"We will be playing a large part in implementing Labour's plan – not by constricting ourselves by rigid incomes policies but by getting involved in the vital strategic decisions on the best economic and social use of our resources."

● The Labour Party's chairman, Mr Sam McCluskie, warned yesterday that, if the Conservatives were returned to power, trade unionists would defend themselves on a scale not seen since the 1926 general strike.

Unionists in Ulster prepare election pact

By Our Belfast Correspondent

AN ELECTORAL pact between the two main Unionist parties in Northern Ireland now seems likely. The Official Unionist leader, Mr. James Molyneaux, said he supported the idea and would have discussions with his constituency associations.

With the Roman Catholic vote in Ulster split between the Social Democratic and Labour Party (SDLP) and Sinn Fein, the political wing of the Irish Republican Army, Unionists could win up to four extra seats if they put up a single candidate in marginal constituencies.

The leader of the Democratic Unionist Party, the Rev Ian Paisley, has said he will give the Official Unionists a clear run in Fermanagh-South Tyrone, which could produce problems for the present MP, Sinn Fein's Mr Owen Carron.

Mr Paisley wants the Official Unionists not to stand in Mid-Ulster. Newry and Armagh and Foyle – where SDLP leader Mr John Hume is a candidate – could both be marginal if the Unionists agree on a single candidate.

CONSERVATIVE PARTY PUBLISHES ELECTION PROGRAMME

Thatcher calls policies robust and responsible

BY PETER RIDDELL, POLITICAL EDITOR

NEW LIMITS on trade union power and further privatisation across a wide range of nationalised industries are the centrepiece of what Mrs Margaret Thatcher, the Prime Minister, yesterday described as "a robust and responsible" Conservative Party programme.

The main theme of the party's election manifesto, published yesterday, is a restatement of the Government's existing approach rather than any new commitments.

Most of the specific proposals on, for example, trade unions – have been trailed in consultative documents. In the case of the privatisation objectives, they represent a development of recent ministerial speeches.

The manifesto is notably cautious about the welfare state and economic policy. It refers merely to maintaining "firm control of public spending and borrowing" and the high priority given to "further improvements in allowances and lower rates of income tax."

Mrs Thatcher said yesterday that the costs of the proposals had been calculated and would be included within all the forward expenditure programmes already published.

Asked whether there would be a renewed drive to cut public spending and manpower after the election on June 9, Mrs Thatcher said she hoped there would be further reductions in bureaucracy. The Government was always on the alert, she said, to cut waste and increase value for money.

BRITAIN GOES TO THE POLLS JUNE 9

She interrupted Mr Francis Pym, the Foreign Secretary, during a question on the Falklands to insist that what he meant was that any talks with the Argentines could only be about commercial links and not on sovereignty.

The manifesto was strongly attacked yesterday by the Trades Union Congress, which said it only offered another round of union bashing. Mr Michael Foot, the Labour leader, said the manifesto was trying to persuade people the Government had been a success story, which was not true.

Mrs Thatcher refused to say when unemployment would start to decline, saying it was up to industry and workers.

A central theme of the manifesto is that the Government's straight forward and resolute approach has laid the foundations for a dynamic and prosperous future.

The manifesto was launched yesterday at a somewhat military press conference in London, where Mrs Thatcher appeared as the successful general flanked by six of her team, preceded by the theme from the Dambusters film over the loudspeakers.

It was clear from her attitudes where the future of the Conservative Party lies. Mrs Thatcher stared devotedly at Mr Norman Tebbit, the Employment Secretary, during his contribution.

Tories set out their 'five great tasks' for the future

BY OUR POLITICAL STAFF

THE ELECTION manifesto – programme for government – published yesterday by the Conservative Party sets out "five great tasks for the future."

These are, the 47-page document states:

● To create an economy which provides stable prices, lasting prosperity and employment.
● To build a responsible society which protects the weak but also allows the family and the individual to flourish;
● To uphold parliamentary democracy and strengthen the rule of law;
● To improve the quality of life in British cities and countryside;
● To defend Britain's freedom, to keep faith with its allies in Europe and Nato, and to keep the peace with justice.

In a foreword to the manifesto, Mrs Margaret Thatcher, the Prime Minister, states that in the last four years Britain has recovered confidence and self-respect and the regard and admiration of other nations.

New laws planned on trade unions

"The choice before the nation," she says, "is stark: either to continue our present steadfast progress or to follow policies more extreme and more damaging that those ever put forward by any previous opposition."

Mrs Thatcher continues: "We face three challenges: the defence of our country, the employment of our people and prosperity of our economy."

The defence of Britain's liberties is the "most vital decision facing voters." She states that everyone wants to get rid of nuclear weapons, but to do that, "We must negotiate patiently from a position of strength, not abandon ours in advance."

Of the "universal and most intractable" problem of unemployment, she says: "The answer is not bogus social contracts and government overspending. The Government's role is to keep inflation down and offer real incentive for enterprise."

The manifesto pledges that, if the Conservatives are returned to power, there will be new laws in respect of the trade unions. Trade unionists and public had already welcomed the Government's past action on the unions, it claims, "but some trade union leaders stil abuse their power."

A new Conservative Government would legislate to give union members the right to hold ballots for union elections and to decide whether their unions should have party political funds. The legal immunity of unions to call strikes without first holding a secret ballot would be curbed.

A Conservative Government would also be ready to legislate to force unions to give their members a free choice over paying a political levy (a sum deducted from union dues and paid to the Labour Party). There would also be consultations on the right to strike in essential services.

On pay bargaining, the manifesto says that with lower inflation there has been a return to "common-sense." It states that the last four years have shown that a bureaucratic machine for controlling wages and prices is quite unnecessary.

However, the Government, it says, remains inescapably responsible for controlling its own costs. It was the Government's duty "to prevent any abuse of monopoly power or exploitation of the sick, the weak and the elderly, so we must continue to resist unreasonable pay claims in the public sector."

The Conservatives state that they will continue to transfer more state-owned businesses to private ownership.

On taxation, the manifesto says there would be further improvements in allowances. Lower rates of income tax would remain a high priority together with means to reduce the poverty and unemployment traps. Taxes on capital and savings would also be cut.

Concerning local councils, the manifesto attacks "grossly extravagant Labour authorities." The Conservatives would legislate to curb "excessive and irresponsible rate (property tax) increases."

It is also proposed to abolish the very large metropolitan councils and the Greater London Council (at present controlled by Labour).

On rates, which are levied on domestic, commercial and industrial property by local councils, the Conservatives pledge new laws to curb excessive increases and, if necessary, a general scheme for limiting rate rises.

The Conservatives would require local authorities to consult industry and commerce before setting the rates and more businesses would be given the right to pay by instalments. The rating of empty industrial property would be ended.

Other proposals in the policy document include:

Defence: While continuing to support the nuclear arms talks, the Tories would maintain a strong defence force. Civil defence would be extended to be used in peacetime emergencies;

Immigration: Tories were "utterly opposed" to racial discrimination and would continue policies which were strict but fair;

More powers for police force

Energy: The Conservatives would seek to return the coal industry to economic viability and press ahead with the development of safe nuclear power;

Homes: Tories "will give many thousand more families the chance to buy their homes;"

Pensions: There are plans to change the private pension rights of people who change their jobs;

Health: The Tories would cut bureaucracy and encourage the privatisation of auxiliary services "to release more money for looking after patients." Private health care would be encouraged;

Education: Church and independent schools would be defended and parental choice and influence widened. Education in the new information technologies would be extended;

Law and order: Backing would be given for more powers for the police, but the Tories say they accept the need for an independent prosecution service and would consider how best to introduce it.

Parliament: The *House of Lords* would continue to have a secure future;

Northern Ireland: The Conservatives would continue to work for local democracy while upholding law and order as the highest priority;

Transport: The Tories would examine ways of decentralising British Rail and encouraging private enterprise;

Environment: The Merseyside initiative – improvement measures taken in Liverpool after the 1981 riots – would be applied in other big urban areas.

Rise in earnings slows, but still above inflation

BY ROBIN PAULEY

THE TREND of earnings increases continued to moderate in April, although the rate of fall is still slower than the rate at which inflation has been falling.

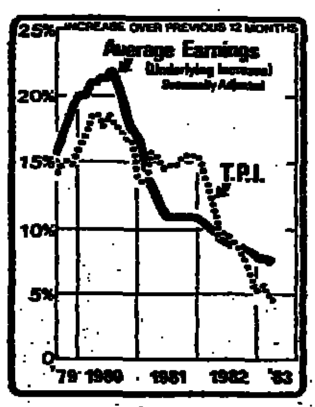
Figures from the Employment Department yesterday show that the seasonally adjusted underlying increase in average earnings in the 12 months to March was about 7½ per cent, compared with 7¾ per cent in the year to February. This takes account of temporary factors such as back-pay and different timings for pay settlements.

If these factors are excluded the 12-month rise in average earnings to March was 8.2 per cent compared with 9.3 per cent in the year to February.

Although the underlying rate of rise in earnings has been drifting consistently downwards throughout the past year, inflation has fallen faster. Earnings are therefore probably still rising faster than the Government would like, and as the inflation rate is expected to start rising again in the summer there is still some ministerial anxiety about earnings trends by the end of the current pay round.

The figures still largely reflect the effects of the last round, as only about one third of employees have so far settled in current bargaining.

The crucial period is between April and July, when about half of all pay deals are settled. The anti-inflation strategy has hinged on lower pay agreements, and with technical factors making a rise in the annual rate of inflation almost inevitable there is a risk that upward pay pressures will reappear.



Recent Gallup surveys showed that people thought workers should aim for 7.3 per cent pay increases in the next 12 months, a much higher figure than the 4 per cent figure to which Government ministers refer. On the other hand the same survey samples show that workers' real expectations are much more modest, expecting rises of only 4.4 per cent to be achieved.

The Confederation of British Industry's (CBI) analysis of pay settlements in manufacturing industry confirms that the general level of settlements is falling, but remains above inflation, indicating continuing improvements in living standards.

The CBI analysis shows the average of settlements since the start of 1983 to be 5.6 per cent. For those since the beginning of August last year the figure is 5.8 per cent. About a fifth of settlements in the past nine months have been for 4 per cent or less, and one settlement in 10 was for 9 per cent or more.

Strikers end sit-in at Timex

TIMEX WORKERS in Dundee voted yesterday to end a six-week sit-in at one of the corporation's four plants in the city. The 320 workers occupying the Milton works accepted a 10-point proposal which rolls back for 90 days the issue of compulsory redundancies which provoked the strike on April 8.

But the union accepts that 425 jobs must go from Timex and surrenders a protracted battle to prevent the end of watch-manufacturing in the city.

The occupation of the plant formally ends this morning and work resumes in one week. The sit-in has held up pre-production work on a flat-screen micro-television tube developed by the company's main source of sub-contract work, the Sinclair Research Corporation.

Industrial problems started when Timex had completed all but about 125 of 1,900 redundancies in the workforce through voluntary losses. The cuts, announced in January, follow the loss of another sub-contract project, development of the Nimslo three-dimensional camera.

The 10-point peace proposal was worked out over the weekend in talks between national union officials and Timex.

Dearer banking

BARCLAYS BANK has effectively increased its bank charges to bring itself into line with the other three major banks.

On current account credit balances, a notional allowance is given to offset against bank charges. This allowance has been reduced from 5 to 3 per cent. If a customer has an average balance of £100 in his account, over 1 year £3 will be deducted from his charges.

Issue of CDs

TWO BUILDING societies, Anglia and Nationwide, are to issue certificates of deposit (CD s). They are the first societies to take advantage of provisions in the new Finance Act.

Previously, building societies were prevented from using the certificate of deposit market to raise funds because they were prevented from paying interest gross.

Oil boost

A NORTH SEA consortium, led by Hamilton Brothers, is about to raise the production rate of its Argyll Field by more than 25 per cent. The group has just drilled a new well which has yielded oil at rates in excess of 6,500 barrels a day. Hamilton Brothers are now producing at the rate of 18,000 b/d through six production wells.

Hotels recovering

HOTEL BUSINESS in London is beginning to recover and the figures for some luxury hotels "have returned to boom levels," according to Horwath & Horwath (UK), international hotel consultants. They anticipate that "within two years — possibly sooner" the upper end of the market will again enjoy high levels of occupancy and average room rates."

Leasing hopes

BRITAIN'S leasing companies hope to benefit from the "signs of recovery" in UK industry, according to Mr Tony Mitchener, chairman of the Equipment Leasing Association. Speaking at a dinner in London last night, he said leasing represented about 13 per cent of total investment in the UK.

Ban on worksharing as union fights to save steel plant

BY BRIAN GROOM, LABOUR STAFF

THE MAIN steel union decided yesterday to fight the indefinite closure of British Steel Corporation's Hartlepool plate mill, at a cost of 1,000 jobs, by instructing members at the other two UK plate mills not to accept transferred work.

Members of the Iron and Steel Trades Confederation (ISTC) at Dazell, near Glasgow, and Scunthorpe, Humberside, will be told not to accept any orders that would have been processed at Hartlepool, and not to work any extra shifts.

This was decided at a meeting of the ISTC executive in London, which also instructed all branches in BSC's Teesside division to break off all negotiations and consultations with the corporation.

The effect of ISTC's action will depend on members' response, and on how far orders which would have been Hartlepool's can be identified.

ISTC was hopeful yesterday that the corporation would relent, but it would plainly take a great deal to budge BSC, which points out that orders are few and that £2m a month is being lost in plates because the available work is being shared between the plants.

Mr Bill Sirs, ISTC general secretary, said: "We are convinced that there should be a sharing of the plate order book between Hartlepool, Dazell and Scunthorpe. None of them should close."

ISTC said it was shortsighted of the corporation to mothball Hartlepool, particularly with the Government's claims that the recession was ending. The union claimed that Mr Derek Saul, BSC's Teesside director, had said orders for plate were rising.

Mr Sirs said: "The closure of Hartlepool can have a serious effect on Teesside works as the closure of the Hartlepool plate mill reduces the output of slabs from the continuous casting machine by upwards of 9,000 tonnes a week, which would leave Teesside short."

U.S. ruling challenged

BY IAN RODGER

BRITISH STEEL Corporation is appealing against a U.S. Government ruling that its sales of stainless steel sheets and plates in the American market should be subject to countervailing duties or quotas. The U.S. view is that British Steel production is being subsidised.

British Steel did not explain yesterday why it was making the appeal or what its arguments would be. However, in the context of its attempts to arrange a long-term deal to sell steel slabs in the U.S. the corporation must do everything it can to remove the stigma of subsidisation from its operations.

Its argument last summer when subsidy charges were made by the U.S. on its general steel businesses was that UK Government aid had been directed almost entirely to paying for redundancies and plant closures. The U.S. Government should support these moves rather than penalise them, the corporation argued, because they improved operating conditions for everyone.

This argument could also apply to some extent to the stainless business where 600 redundancies last year and output has been severely reduced.

Indemnity for bank in Rumasa affair

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

CLYDESDALE BANK, a reluctant party to the litigation in the Rumasa affair, has been given an unlimited indemnity by the London branch of the Bank of Bilbao.

The indemnity will cover Clydesdale against the risk of being sued outside the UK as a result of its undertaking to the High Court in London on Monday not to pay out on, or part with, a £123,125 bill of exchange drawn by a Rumasa company, Compania Vinicola del Sur.

The indemnity was procured by Rumasa, which was expropriated by the Spanish Government two months ago, as a quid pro quo for Clydesdale's undertaking, which remains in force until next Monday.

The bill was intended to cover payment by a Clydesdale customer, Edward Butler Vintners, for wine purchased from Compania Vinicola del Sur.

A Panamanian company, Ceninver, was named on the bill as payee. Ceninver endorsed the bill to another Panamanian company, Heyer Enterprises, which endorsed it to Banque de Depot Geneve, which passed it to Clydesdale for payment.

The two Panamanian companies and the two banks have been named as defendants on Rumasa's latest English writ, issued to try to get hold of the bill.

Little appears to be known about the Panamanian companies. Rumasa is expected to seek the court's leave to serve the writ on them through Banque de Depot Geneve.

Tokyo trade warning

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry (CBI) is to renew its efforts to persuade Japan to liberalise its home market.

Sir Campbell Fraser, CBI president, and senior officials will visit Japan in July to deliver a warning that unless the Japanese do much more to correct their trade imbalance with Britain and Europe they risk import restrictions throughout the EEC.

Sir Campbell said after the CBI council meeting yesterday that a radical change in the Euro-Japanese trading relationship was necessary if Japan was to preserve its markets in Europe.

"In the continued absence of any trend towards a better trade balance, the patience of the CBI is rapidly running out. We cannot keep on having meetings — if action to open up the Japanese market does not show results soon there will be nothing left to talk about."

Britons will own 75% of new transatlantic airline's shares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AT LEAST 75 per cent of the shares of British Atlantic Airways, the newly-created transatlantic operator which is seeking rights to fly between Gatwick Airport, near London, and Kennedy Airport, New York, will be held by British citizens.

This was made clear by the airline yesterday, when it opened its case for being granted a licence, at a public hearing in London called by the Civil Aviation Authority.

British Atlantic submitted a substantial new document, rebutting objections to its plans which had been filed earlier by British Airways and British Caledonian Airways.

In the document, British Atlantic stressed that while the man behind the establishment of the airline, Mr Randolph Fields, was an American citizen, "not less than 75 per cent of the ownership and control will be held by British nationals," although the names of these people are not specified. The amount of capital involved is also not being revealed publicly.

Mr Fields, who is a lawyer, made clear at yesterday's hearing that the only non-British investment in the airline would be his own stake and that of his family, amounting to 25 per cent.

Mr Fields also stressed that, although a U.S. citizen, he had lived and worked in Britain for many years. Most of the airline's employees will be British and will be expected to become shareholders, as will all members of the management.

Mr Fields is managing director of British Atlantic; Mr Robert Booth, formerly with Air Florida, is executive director; Captain Alan Hellary, formerly chief pilot and flight operations manager of Laker Airways, is director of flight operations; Mr Eric Holloway, also formerly with Laker, is director of route planning and performance; and Mr Richard Holman, a partner in Milne Ross (accountants), is financial director.

British Atlantic said that its proposed specialist business-class, seven-abreast seating, at a single fare of £329, would be far superior to the British Airways' nine-abreast Super Club, and Pan American's eight-abreast Clipper Class business services, and more comparable to the six-abreast Ambassador service of Trans World Airlines.

People Express, the other airline planning a cheap (less than £100 single), transatlantic service, between Gatwick and Newark, New Jersey, is as no-frills operation. British Atlantic "has no intention of matching" that fare.

British Atlantic argued that it "had good reason to believe that its proposed one-class service "will be very well accepted by a significant segment of the full-fare travelling public, including both first and Economy class users."

Pointing out that British Caledonian had withdrawn from the New York route some time ago, British Atlantic said that the UK travelling public, especially the business traveller on the North Atlantic, deserved a choice of two British airlines.

The new airline also rejected suggestions by British Airways that the operation would lose money heavily.

BL axle strikers refuse to hold talks

By David Goodhart, Labour Staff

SHOP STEWARDS at British Leyland's Albion axle plant in Glasgow yesterday rejected a management demand that they hold a mass meeting of the 1,300 striking workers on Friday and return to work on Monday.

The company has said that if the strike – over compulsory redundancies – continues, the closure of Albion will be inevitable. About 3,000 truck assembly workers at Bathgate, Glasgow, and Leyland in Lancashire are due to be laid off from tomorrow because of the shortage of axles.

Mr Jim McLean, the Albion union convenor reaffirmed the union's stand and said the workers would not be blackmailed into holding a meeting on management terms. He added: "We will hold a meeting when management are prepared to have meaningful discussions."

Mr Gavin Laird, general secretary of the Amalgamated Union of Engineering Workers, the main union at the plant, said the strikers had the full support of the union in carrying out union policy against compulsory redundancy.

The company insists that it is now looking for less than 20 redundancies out of an original total of 110 sought among hourly-paid workers. It refuses to withdraw the threat of compulsory redundancy "if necessary" but says it is very optimistic about getting the rest voluntarily.

The only possibility of a breakthrough before the weekend comes at a meeting today between Mr Gerry Russell, executive member of the AUEW, and BL management.

Enterprise zones bid for satellite operation

By Raymond Snoddy

THE BBC is considering locating the headquarters of its direct broadcast satellite operation in an area of high unemployment. The multi-million pound investment would involve the initial creation of about 400 jobs, but this could eventually rise towards 1,000.

BBC officials have already visited enterprise zones in Scotland, Merseyside and the North-East of England. A decision is likely to be taken within the next two months because the BBC plans to begin satellite broadcasting in three years' time.

Competing regions are hinting that the BBC would not only have relief on property taxes if the headquarters is established with them, but rent-free premises might also be provided.

The corporation is now evaluating the extent to which these incentives would be outweighed by the extra cost of relocating staff and running two new national channels far from its base in London.

There is opposition within the BBC to a move outside London. Critics argue that setting up a new and complex operation in somewhere such as the North-East could increase the cost and difficulty of the operation.

The BBC said yesterday: "A number of sites are being considered. No final decision has been taken."

If the decision is taken to choose an enterprise zone it will be the first time such a major BBC operation has been sited outside London.

The BBC plans to begin satellite broadcasting in September 1986. One of the channels will show first-run feature films. A monthly subscription of between £10 and £12 is envisaged for receiving the channel.

Many of the jobs created would be in the administration of the computerised billing system involved.

The headquarters would also have the equipment and technical staff needed to send the signal to the satellite, plus studios for programming.

Theoretically, the operation could be located almost anywhere in the UK – although apparently areas with a high incidence of thunderstorms are unsuitable. Earlier this month the BBC was granted a special Royal Charter to allow it to borrow up to £225m to fund its two satellite channels.

The BBC's borrowing limit will be increased from £75m to £150m, with a further £75m available with the Home Secretary's permission.

Unions in drive to recruit job trainees

BY BRIAN GROOM, LABOUR STAFF

TRADE UNIONS are preparing a major drive to recruit teenagers taking part in the Government's £1.1bn Youth Training Scheme (YTS) this autumn. There are fears that this could lead to problems of inter-union competition.

Mr George Arnold, executive member of the Amalgamated Union of Engineering Workers (AUEW), said yesterday: "I just hope there is not going to be a membership war, because the teenagers are trying to get the best possible training."

The government scheme aims to provide a year's work experience and off-the-job training for 460,000 school leavers. It gets properly under way in September, and the Manpower Services Commission is trying – with a patchy response in some areas – to find the 400,000 training places needed to implement it fully.

Mr Frank Chapple's Electrical and Plumbing Trades Union (EPTU) is attempting to set the pace in recruiting trainees into unions. It is offering them free membership of a special EPTU "transitional training section," giving representation and legal aid, but no voting rights and other benefits.

The EPTU believes unions can offer protection, ensure good training and minimise abuse from unscrupulous employers. It is establishing training representatives at workplaces in a wide-ranging strategy to increase the union's involvement in training.

The YTS also gives unions a chance to offset membership losses caused by unemployment. The EPTU calculates that if two in 10 YTS youths are kept on in jobs after training, there will be 90,000 potential employed trade union members.

It is worried that if it leaves recruitment too late other unions will have stepped in. Attempts to prevent this carry a danger of conflicts, particularly now that the EPTU operates in many industries. This, and changing technology have brought it increasingly into competition with other unions as the lines between electricians and engineers and blue- and white-collar staff become blurred.

Frank Chapple: free membership concession

Competition for the trainees is worrying some other unions. Mr Arnold of the AUEW complained that some unions were moving with "indecent haste."

The AUEW will itself charge trainees 35p to 40p a year for membership, as it must under its rules, but like the EPTU it is appointing workplace training representatives. It is telling shop stewards to make every effort to recruit trainees.

Several unions offer reduced rates for youth trainees. The General, Municipal and Boilermakers Union charges them 10p and the shopworkers' union charges them the same as part-time workers.

More job losses at Cross

By Nick Garnett

CROSS INTERNATIONAL, which makes specialist machine tool systems for the automotive industry, said yesterday it would cut the 260-strong workforce at its Kirkby site on Merseyside by about half in the next few months because of the generally depressed state of orders.

The company employed 370 at the site at the beginning of last year, but had made other cuts before yesterday's announcement.

The company is part of Cross, which is in the Cross Trecker group of the U.S. Its sister plants in West Germany and the U.S., which also make machine tool systems, have also suffered job losses because of low orders.

Machine tool systems made by Cross are used for cylinder block and cylinder head manufacturing, bearing, axle housing, and gearbox production.

The company, which normally exports half its output, said the cuts had nothing to do with labour relations at the plant, which had been good.

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JOBS COLUMN

Why employees are not just human resources

BY MICHAEL DIXON

"THE REAL go-ahead corporations in America don't think in terms of personnel managers any more. They've promoted them in the organisation and called them vice-presidents—human resources," said Douglas Caldwell, Canadian head of the Caldwell Partners International recruitment consultancy.

He added that while the British equivalents mostly cling to the outmoded title of personnel director, the best of those he has met would be warmly welcomed by the said go-ahead corporations. "You could maybe run a nice little business exporting them."

The Jobs Column asked how the new vice-presidents—human resources differed from the old-style personnel managers.

"Well, they're centrally line managers, not staff specialists. They've brought a real profit expectation to the job. They take stock of the company's human resource and see it is used effectively. There's much more stress on evaluating performance and gearing it to compensation," said Mr Caldwell, clearly meaning his last word to include punishment as well as reward.

I felt uneasy. It seems indisputable that a prime responsibility of managements is to judge people by the net worth they add to the organisation's output. I only wish more managements would do so, especially in the public sector. But people add worth to output in numerous ways which managers, being less than omniscient, cannot see let alone value appropriately.

The vital question is not whether managements should attend to that responsibility, but *how* they should do it. And the way they do it is decisively influenced by how they think of it.

I don't feel it is right for myself and others to be thought of as resources like machines and money. One thing we can do is to serve as resources in that way, of course, and it may be our most important use to an organisation. But it is surely not all we owe those who employ and work with us, nor all for which they owe us. We are not just human resources. We are human beings.

One person I've met who does make that distinction in his approach is Phil Judkins of Rank Xerox. He has had much to do with his unsettled company's experiments with cutting costs by what it calls networking.

The idea is to get staff who provide auxiliary services, as distinct from those whose full-time attendance is essential to the company's core operations, to convert themselves to self-employment. Typically, Rank Xerox gives them a contract for two days work a week and sets them up with a microcomputer link to the company so they can operate from home or wherever. It is then up to them to find other business to occupy them profitably for the rest of the week.

While the networking project has been widely publicised, the thinking behind it is less understood. For the popular notion seems to be that the prime object is to cut costs by reducing payments to people. That notion is fundamentally wrong.

Mr Judkins is not a manager—human resources. His title is manager—headquarters personnel and resources, which is different. For one thing, it means that he has on his departmental budget not only salaries and other staff costs such as pensions, but also the costs of rent, rates, cleaning and other facilities for the London headquarters.

Productive

Of every £100 in his budget, the ancillary costs of employing people directly constitute £15, and salaries £30. "Although that sems a lot," he said, "people do add some value and salaries, at least, help to encourage them to contribute."

On the other hand, the rent and other facilities for the headquarters building represent 31 per cent of the budget. "And facilities of that sort don't either add value to what we produce or motivate people, as far as I see," Phil Judkins added. "Those are sterile costs. Cutting down them offers savings without the loss of productivity capacity in the process."

But unlike his budget, he went on, those of most managers in companies do not include the sterile costs of the space their operations occupy. "So when required to save they look at the figures, see that by far the biggest is for payments to people, and screw up themselves and most everyone else by driving through cuts in headcount.

"It seems daft that the way our organisation structures its budgets should condition our whole way of thinking. But it does, doesn't it?"

Because the object is to save on facilities rather than on headcount, Rank Xerox's intention is quite the reverse of pressing staff who provide auxiliary services to leave the payroll and become self-employed. Those coming forward with a proposal to do so are carefully assessed and interviewed and unless they positively reveal the combination of attitudes, skills and knowledge likely to succeed in small business, they are firmly advised to stay on the payroll.

After 18 months of the scheme, there are only about 22 networkers. The number deciding to go out on their own is no more than one or two a month.

The company also supplies them with continued support through an association called Xanadu. It enables the networkers to keep contact with one another and with former colleagues still normally employed, and provides know-how both individually and collectively. The best attended Xanadu meeting so far was apparently the one in which the company's auditors discussed the presentation of accounts to the Inland Revenue.

It seems clear therefore that the networking scheme does not treat the former employees merely as human resources. If it did, Rank Xerox would consider that its only obligation to them was the contract for two days work a week.

Instead the scheme evidently treats them as human beings. It accepts that they are owed a larger debt. Part of it, perhaps, is due on account of their expectations on joining the company when it towered above its competitors. In those days, even if its recruits were not positively informed that adequate work would ensure continuing employment, there was no doubt a tacit assumption with the same intent.

Even though that attitude may not be taken towards the bulk of people Rank Xerox is shedding elsewhere, the example is surely one that all managements should try to follow. But the evidence to hand is that most do not think-through their larger responsibilities to those they employ.

For instance, the other day I heard whispers that directors of ICI had been saying that it no longer recruited graduates for managerial careers on the expectation that they would normally stay with the company throughout working life.

Now when I was a lad and for long afterwards it was a commonplace among young people qualified for higher education that to be taken on by ICI was, barring very serious error, to be assured of an above-average income until you retired and a generous pension thereafter. And while the company has shaken out a sizable number of managers over the past decade, I was not aware that it had given any indication that the old expectation had ceased to be the general rule.

So I asked ICI's Press office if the policy had been changed. The reply was that while it was certainly the case that lifelong employment could no longer be the norm, the board had not made any specific decision to that effect.

Isn't that strange? I wouldn't mind betting that a formal decision would have been taken and the implications worked out if the change had been in the company's policy for the depreciation of machines.

CAMBRIDGE ECONOMETRICS
REQUIRE AN
INDUSTRIAL ECONOMIST

Applicants should be well qualified economics graduates with considerable experience in industry and a knowledge of forecasting and computer based models.
The successful applicant will work as part of a small team on our forecasting subscription services and have responsibility for the industrial aspects of our services and their development.

Please write with full curriculum vitae to:

Marion Luman
Cambridge Econometrics Ltd
PO Box 114, 21 St Andrew's Street
Cambridge CB2 3RW

NORTHCOTE & CO.

seek a person with the proven ability and experience to answer investment enquiries both by letter and telephone. Such person will work under minimum supervision in a busy department and have the ambition to advance in the firm. Remuneration dependent upon age and experience.

Apply in writing with details to:

Mr R. E. A. Clarke
Northcote & Co.
Northgate House
Copthall Close, London, EC2

UNIVERSITY OF STIRLING
DEPT OF BUSINESS STUDIES
Lectureship in Small Business

Applications are invited for the appointment of Lecturer in Small Business in the Scottish Enterprise Foundation, to commence as soon as possible. This is a new appointment and the bulk of activity will involve a range of initiatives in education, training and development with small business, with a significant research role. Knowledge and experience in this field would be a major advantage.

The appointment will be for three years in the first instance, but it is possible that in the future this may be extended. Salary will be on the scale £7225-£13505 (under review).

A written curriculum vitae with the names of two referees should be sent no later than 13 June 1983 to the University Secretary, University of Stirling, STIRLING, FK9 4LA, tel. 3171 ext 2314, from whom further particulars are available.

ASSOCIATE PRODUCER (FINANCE)

Theatrical Production Company requires associate with experience and connections in raising overseas finance for productions.
Applicant must speak fluent English, German and Swedish and be prepared to assist in organising production tours in Scandinavia.
Salary: £6,000 + commission
Apply Box A.8221, Financial Times, 10, Cannon Street, London EC4P 4BY.

BRENT ENTERPRISE BOARD

Appointment of Chief Executive

The London Borough of Brent is setting up a new company, The Brent Enterprise Board, to spearhead the fight against unemployment and to rebuild the Borough's economy. Brent is a multi-racial Borough and has one of the largest black ethnic communities in the country; it has all those problems characteristic of the inner city. Traditionally, the engineering industries have been strongly represented among the major employers in well-established industrial areas.

The company will initially be funded by the Council and will have the objectives of:—

(i) aiding the development of new businesses, sponsoring new approaches such as co-operatives and helping existing firms to expand;

(ii) investing in new and growing enterprises and actively seeking new investment opportunities;

(iii) finding and developing sites for industrial and commercial enterprises refurbishing to modern specifications existing outmoded building and promoting the supply of nursery and genesis units.

The Company will act in co-operation with Trades Unions, the private sector, the co-operative movement, the universities and other sources of new business initiatives.

The Enterprise Board will initially have a small staff of 4 led by the Chief Executive but will work in concert with other organisations as appropriate investment opportunities arise.

The proposed salary range is £17,500—£18,500.

Men or women with appropriate experience are invited to contact London Borough of Brent, Personnel Department, Brent House, High Road, Wembley, Middx. Telephone number 01-903-0371 (quoting reference number: BEB/1) for further particulars and application form, returnable by 3rd June 1983.

BRENT ENTERPRISE BOARD IS AN EQUAL OPPORTUNITY EMPLOYER. APPLICATIONS ARE WELCOME FROM CANDIDATES REGARDLESS OF RACE, NATIONALITY, ETHNIC OR NATIONAL ORIGINS, AGE, MARITAL STATUS, SEX, SEXUAL ORIENTATION AND FROM REGISTERED DISABLED PERSONS.

ARGYLL STORES LIMITED, a member of the ARGYLL FOODS GROUP and the fourth largest multiple grocery chain in the U.K. with sales well in excess of £1 billion per annum, seeks to appoint a

Director–Computer Services

The Director will be responsible for the management of the Computer Services Division based on a large IBM installation located at Argyll House providing sophisticated financial and operating systems support relating to the company's retail outlets and distribution centres throughout the U.K.

Following the 1982 acquisition of Allied Suppliers, the Group is entering a challenging new phase of development within the retail grocery market.

An effective commercial Computer Services Division is vital to these plans in meeting current needs and providing solutions to many new developments.

In managing this fully integrated and partially distributed computer systems network throughout the entire company, the Director will work closely with the management of our various operating and services divisions. There is also considerable scope for creativity in the development of new systems and methods for improving company profits.

The successful applicant will have a track record of high level responsibility and success either in retailing or a related field.

As might be expected, this senior appointment will be rewarded by a substantial salary together with a full range of fringe benefits including a relocation package if required.

Candidates who meet the outline profile and who are aged around 40, preferably educated to degree level, with the related business experience should write with full career details to:
Mr. M. I. Phillips, Director of Management Development, Argyll Stores Limited, Argyll House, Millington Road, Hayes, Middlesex UB3 4AY.

ARGYLL STORES LIMITED

Young Corporate Planner

Eastern Counties — **to £15,000**

Fundamental changes of direction have produced a significant increase in the share price of this profitable British plc, which is poised for further growth beyond the current £400m sales level. The planning team at the centre works closely with the Chief Executive and intends to recruit an additional member aged in the mid-20s. There is a strong preference for a graduate with a good science degree, ideally with an MBA or DMS, and a background in industry. Experience in an operations context could be more valuable than a previous post in corporate planning. For an applicant who can think creatively and work diplomatically in this international-company environment, considerable career potential is offered. Major company benefits, with relocation expenses, and a salary in the £12,500 to £15,000 range.

Write for an application form or send brief CV to the address below, *quoting ref: GM26/8249/FT on both letter and envelope,* and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

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A well-known and highly successful city stockbroker is currently engaged in a planned programme of specialist recruitment. Increases in their market share and a diversification in their client base leaves them now requiring...

Corporate Finance Executives c.£15,000 + bonus
Candidates ideally with a legal or accounting background possibly including investigations experience.

Sector Analysts c.£14,000 + bonus
Candidates with varied sector experience used to sophisticated analytical techniques.

The above highlights just two of a variety of current requirements for experienced stockbroking personnel. The company offers attractive working conditions and excellent salaries complemented by a generous bonus scheme.

Applicants should contact **Roger Tipple, M.A.** or **Nicholas Waterworth, B.A. Banking and Finance Division,** 31 Southampton Row, London WC1B 5HY or telephone 01-242 0965 quoting reference 33307. *All applications will be dealt with swiftly and in the strictest confidence.*

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

COCOA TRADER
NEW OPERATION

For a new operation in an established commodities house, acting as 'number 2' and focusing on customer relationships.

The requirement is for over two years' successful cocoa trading experience, both physical and futures. Integrity and professionalism are essential, as is the ability to fit with a hard-working team.

For further information, please contact Peter Williamson, who is advising on this appointment.

ARTHUR YOUNG McCLELLAND MOORES & CO
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4 1NH
Tel: 01-831 7130

HG HOARE GOVETT LIMITED

Investment Analysts – Far East

Hoare Govett require two commercially oriented investment research analysts to join the expanding teams in the Far East. One will work in Hong Kong and the second in Tokyo.

While experience of Far Eastern markets would be an asset, it is not essential. We are looking for proven ability to analyse companies, to write fluently and lucidly, to relate ideas to the market and the ability to communicate those ideas to clients. Candidates are likely to have had at least three years' experience in company analysis either with a stockbroker, or an international bank.

The salary and allowances will be competitive and there are excellent prospects for suitable candidates.

Applications, which will be treated in confidence, should be sent to:–

Company Secretary, Hoare Govett Limited, Heron House, 319/325 High Holborn, LONDON WC1V 7PB.

INTERNATIONAL TREASURY MANAGEMENT
Computer Systems Marketing

Home Counties — **C. £18,000 + bonus + car**

Our client requires an exceptionally able Chartered Accountant, who wishes to break out of finance into a commercial role, to market its unique and highly-sophisticated micro computer-based package specifically tailored to the requirements of the Corporate Treasurer.

Age and current position are less important than a sound understanding of the Treasury function, with particular regard to international operations. Computer experience is desirable; the ability to communicate effectively with senior financial management is essential.

This is an exciting opportunity for an ambitious man or woman to join a major British software house and to participate in the development of this important new product.

The generous remuneration package includes a bonus directly related to results, giving on-target earnings of £25,000.

Please send full career details, quoting ref: 2107 to A.D. Davies.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR
Tel: 01-353 8011
A member of the Management Consultants Association.

NEW PUBLICATION

A well established publishing group will launch a new fortnightly business magazine in the Autumn.

This is a unique opportunity to join a young and ambitious team on a major new publication.

Applications are invited for the following appointments:

- SENIOR EDITORIAL EXECUTIVES
- SPECIALIST FEATURE WRITERS
- GENERAL FEATURE WRITERS
- NEWS REPORTERS
- SUB EDITORS
- PHOTOGRAPHERS

Applications are invited from experienced journalists. Full details of career to date should include current and expected salary.

All applications will be acknowledged and they will be considered in confidence.

Applications to:
Christopher Morgan Associates
140 Cromwell Road,
London SW7 4HA

GILTS

We are a successful City firm specialising in Gilts and have developed some of the most advanced computer-controlled dealing systems in the country.
We are looking for someone with past experience in Gilts to talk to clients about the various services we offer.
Excellent opportunity for someone with the right attitude and experience.

Write or telephone Margaret Kelly
Barlow Clowes & Partners,
66 Warnford Court, Throgmorton Street
London EC2N 2AT Tel: 01-638 0063

INVESTMENT ANALYST — to £12,000
A number of clients wish to recruit experienced Investment Analysts. Ideally aged between 24/30, a relevant degree, and a minimum of two years from banking or an investment company are needed, together with a desire to enter fund management. Research experience could be within UK equities, International bonds or specific fields either nationally or internationally.

CHIEF FOREIGN EXCHANGE DEALER — c£20,000
This International Bank has been represented in London some 20 years. It has a small dealing presence but now wishes to recruit a well experienced dealer to expand its activity throughout International financial markets. The successful applicant will be 30+, recognised by the Bank of England and possess a good record in dealing. The ability to set up systems and manage staff are pre-requisite.
Please contact: Richard Meredith

PENSION ADMINISTRATOR — c£14,000
My client is a major financial institution employing over 6,000 personnel throughout the world. They require a Pensions expert to undertake internal research into their Pension schemes, provide policy guidelines and administer them. A minimum of 5 years relative experience gained in banking or insurance is essential. Age max. 40.
Please contact: Paul Trumble

LEASE MARKETING MANAGERS x 2 — to £25,000 + benefits
A major international bank have a vacancy for a graduate aged c30 years experienced in international big ticket cross border leveraged leasing. Additionally we have a similar vacancy for a U.K. marketing executive with asset management experience, benefits to include low cost mortgage, company car and in one instance a bonus.
Please contact: Brian Gooch

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

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We have an impressive record of success and an acknowledged reputation in the employment market; many blue chip companies from a broad spectrum of industry and commerce retain our services in the re-deployment of their senior people. It could be to your advantage to find out more about us today. Write or telephone for a preliminary discussion without obligation.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

RADICAL ALTERNATIVES FOR THE LOCAL ECONOMY

Chief Economic Adviser

£16,761-£20,967 p.a. inc.

Hackney Council is embarking on an interventionist strategy for the local economy with the aim of sustaining and creating jobs; eradicating low pay; challenging discrimination in employment and fostering democratic forms of work organisation. These objectives form the alternative economic strategy under consideration by the Council and we need a man or woman with the commitment, skills and necessary experience to carry out its successful development and implementation.

You will activate the resources of this inner city Borough and ensure the efficient development, co-ordination and execution of all the Council's economic development activities. Together with trade unions, voluntary organisations, workers' co-operatives and the private sector, you will shape the Council's operational structures most suited to the economic policy objectives.

This new post has been created on an initial three-year contract so you'll have to get straight down to developing and directing an economic development programme based on job creation and retention; training; challenges to low pay, sexism and racism in employment opportunities; local purchasing policies and industrial promotion for the small-scale manufacturing and service sector as well as facilitating the Council's economic research and intelligence work. And as Hackney's policy of decentralising Council services and extending neighbourhood political power comes into action, you'll encourage local involvement in our economic initiatives.

You should have a sound knowledge of economics and a familiarity with the ideas and problems of the Alternative Economic Strategy. Experience of local government would be an advantage. Your understanding of the types of economic problems facing the inner city and your determination to solve them will be essential. You will need the energy and drive to motivate a range of agencies towards achieving local economic objectives including the Council, the private sector, other public agencies, trade unions and ethnic community groups.

It will be your understanding and your commitment that will help put Hackney's local economy on the road to recovery.

For further information contact John Durnian on 01-986 3123 Ext 227.

Application forms are available from John Penney, Head of Personnel Services, Town Hall, Mare Street, E8 1EA or telephone 01-986 7539 (24 hour answering service) quoting reference AG456/FT. Closing date: 7th June 1983.

People who wish to job share may also apply.

THE LONDON BOROUGH OF HACKNEY

We would positively welcome applications from black people, disabled people and women.

Hackney – a radical, socialist Borough

Commodities Banker

We are an international bank with our head office in the City of London and with branches and offices in 37 countries worldwide.

We are seeking an energetic Marketing Officer to handle a portfolio of accounts and undertake business and product development in the commodity sector through the U.K. and our international branch network.

Probably aged 24-28, you will be educated to degree level and will have a minimum of 3 years' banking experience, ideally with some marketing exposure to the soft and metal commodity fields.

We offer a competitive salary and banking benefits, including mortgage facilities, plus excellent career prospects both in the U.K. and overseas.

Please send full career details to:

Anne De Saxe, U.K. Appointments Officer,
Grindlays Bank p.l.c.
36 Fenchurch Street, London EC3P 3AS.

SENIOR BANK AUDITOR

Old-established London Merchant Bank requires an experienced Bank Auditor to assist the Manager of Internal Audit. Preferably qualified: must be capable of working with minimum supervision.

Salary negotiable.

Please apply with full c.v. to:
Mr. Peter Thring,
ERNST & WHINNEY,
1 Lambeth Palace Road,
London SE1 7EU.

Indicating the name of any bank to which you do not wish your application to be sent.

UK MANAGER

needed to develop a sales network from "ground up" for our complete range of instant photo identification systems, including cameras, laminators, accessories and plastics. Our "self-starter" probably won't have photo I.D. experience but we provide training plus support from our European Office. More important is a good knowledge of people, organisational flair and drive.

Salary open. Interviews in London with our American president on June 13 & 14. Contact prior to June 7th:

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COMMODITY/TRADE FINANCE

French Bank with worldwide network requires young banker to assist rapidly-expanding trade finance marketing team.

Applicant should have at least five years' general banking experience with a basic understanding of company accounts. An appreciation of trade finance facilities would be advantageous.

Position offers excellent advancement opportunity to energetic person.

Salary according to experience plus usual banking benefits.

Please write with full c.v. to Box A8225, Financial Times
10 Cannon Street, London EC4P 4BY

Dorset Institute of Higher Education

Head of Department of Finance and Law

(Grade VI) Salary £15,867-£17,490, under review
Ref: FL/F

The above post is newly created as a result of a recent review of departmental structure.

Application form and further details of the above post is available from the Director (F1), Dorset Institute of Higher Education, Wallisdown Rd, Wallisdown, Poole, Dorset BH12 5BB (SAE please)
Telephone: Bournemouth (0202) 524111, ext 395

The closing date for the above post is Friday, 27th May 1983

David Grove Associates

Bank Executive Recruitment
60 Cheapside London EC2V 6AX Telephone 01-248 1858

Our client is an International Bank currently establishing its London office. The Bank wishes to recruit two executives to assist in the development of business:

CREDIT & MARKETING MANAGER £19,000+

Scope of appointment–
- Marketing/lending role, developing commercial and trade related business.
- Management of loan portfolio.
- Responsibility for supervising and training staff.

Candidate criteria–
- Graduate or professionally qualified.
- Successful business development experience.
- Thorough grounding in credit in an international banking environment.
- Fluency in French.

TREASURY MANAGEMENT OFFICER £15,000+

Scope of appointment–
- Promotion of treasury and investment management services to overseas institutional clients of the bank in developing countries, together with some private client fund management.

Candidate criteria–
- Experience of business development, preferably in an international context.
- Previous experience in the Foreign Exchange and/or money markets and a thorough understanding of international currency markets.
- Free to travel a great deal, if required.
- Fluency in French.

In the first instance, please contact David Grove on 236-4441, in confidence.

FOREIGN AFFAIRS ANALYST

Position available for person qualified to summarise and analyse world events and write daily reports and analyses on international affairs. Person must be able to maintain and augment general files and computer library containing country data, press articles and reference material. Position requires relevant university level or practical experience. Salary to be negotiated.

Please apply with full particulars of your cv to Box A8218
Financial Times
10 Cannon Street, EC4P 4BY

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with very substantial private client and banking business are looking for an additional assistant in the banking department. The successful applicant, aged approximately 22-28 will be able to deal with all aspects of the business verbally and in writing. Good remuneration and career prospects exist for the selected person.

Please send your cv in the strictest confidence to Box A8223
Financial Times, 10 Cannon Street, London EC4P 4BY

DO YOU UNDERSTAND MONEY? Hambro Life are looking for people that do. Specialised and continuous training, coupled with hard work, energy and determination will do the rest. In 1982, more than 450 of our Sales Associates earned in excess of £15,000. Many had no previous experience. Successful applicants are likely to be between 25-55, within 40 miles of London and highly independent by nature. Please telephone Vic Groves on 01-404 3199.

International Appointments

Institutional Fixed Interest Sales

Australia

Samuel Montagu are seeking two experienced Sales Representatives for the fixed interest broking operations of their Australian associate.

Applicants should have the following attributes:
- fixed interest experience in a stockbroking firm
- an innovative approach to gilt dealing
- an ability to relate well to institutional investors
- a desire to achieve results in a competitive environment.

The successful candidates will probably be in their early 30's and should be interested in working either in Sydney or Melbourne, Australia.

An attractive remuneration package will be available and relocation costs will be paid.

Please reply with full relevant details in the first instance to B. K. Barber, Personnel Director:-

Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01·588 3588 or 01·588 3576
Telex No. 887374

CJRA DIRECTOR FINANCIAL PROGRAMS

We are a diversified fortune 500 company in search of a Financial Co-ordinator for our extensive African operations. The successful candidate would be a university graduate with a few years' of international banking and counter trade experience. Full knowledge of foreign exchange and trade relations in the developing world are essential. The job calls for an individual who can co-ordinate and structure creative financing techniques and assemble corporate structures within Africa. The individual must be willing to spend the majority of his time travelling extensively throughout the territory. This position reports to our Regional V.P. and is headquartered in Rome. The salary will be commensurate with experience. Applications in strict confidence under reference DFP14747/FT will be forwarded unopened to our Client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH.

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Tel: (93) 50 71 71

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Dubai Base

for an established and profitable company which is a joint venture between a major and prestigious Middle East group and a renowned British insurance organisation. Reporting to the Board, the appointed candidate will be profit accountable for the further development and control of the business and its service to clients.

Candidates must have broad insurance experience, preferably including insurance broking. A successful management background is required, together with a proven business development record in insurance. An ability to communicate and negotiate at senior level and to work with diverse nationalities will be sought.

Attractive benefits include negotiable tax free salary; furnished accommodation; car; renewable contract; generous UK leave with paid family air fares, Dubai offers an amenable life style with good facilities.

Please write with full personal and career details – in confidence – to G. E. Howard ref. B.1185/1.

MSL middle east
مختصون باستيطاف العرب
Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

General Manager

Saudi Arabia Insurance Broking Office

Our client currently has an opportunity at their fast growing insurance broking office in Saudi Arabia for a General Manager. Sponsored by a prestigious Saudi national, this Agency is managed by a medium sized Lloyd's broking firm which is itself part of a major UK financial institution. Recently established, the Saudi Office has already developed a sound client base and a good track record in serving the Saudi business community and the public sector. The office is expected to go through a period of dramatic growth over the next two to three years.

We would expect the successful candidate for this position to be:
- 30 to 45 years old
- an all round insurance man with at least 10 years' insurance experience including a good background in C.A.R.
- A.C.I.I. qualified
- Experienced in production, broking and insurance administration
- Familiar with both British and US Policy wordings
- Experience in managing a division or company as a profit centre
- Familiar with and preferably have lived in the Middle East
- Fluent in English and some knowledge of Arabic would be helpful
- Able to communicate well at all levels.

The responsibilities of the position include:
- running a profit centre including maintaining high credit control and insurance broking standards
- managing staff of both producers and administrators and the recruitment and training of the staff
- producing business introduced by the Sponsor and Parent Company and after a reasonable time in the job, to generate production from his own contacts
- dealing with relationships at the highest commercial and diplomatic levels in the Kingdom.

In addition to the competitive salary, this position carries free housing for the General Manager and his family, a car, house servants and driver and other benefits appropriate to the level of the appointment and the location.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1351.

MSL CONFIDENTIAL RECRUITMENT 17 STRATTON STREET LONDON W1X 6DB
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REPUBLIQUE CENTRAFRICAINE
PROJET D'ASSISTANCE TECHNIQUE
AVIS GENERAL DE PASSATION DES MARCHES
CREDIT NUMERO 1150-CA

Le Gouvernement de la République Centrafricaine a obtenu un crédit de l'Association Internationale de Développement (IDA) d'un montant en monnaies diverses équivalent à 3.3 millions de Droits de Tirage Spéciaux (DTS) en vue de financer le coût d'un projet d'assistance technique. Le projet est exécuté depuis septembre 1981. Le Gouvernement recherche actuellement

UN COORDONNATEUR DE PROJET

pour une durée de 18 mois, qui remplacera le coordonnateur actuel (qui quittera son poste en août 1983 pour des raisons personnelles). Le candidat retenu devra être en poste le 1er août 1983 au plus tard. Le coordonnateur travaillera au Haut Commissariat chargé du Plan et de la Coopération Economique et Financière. Les candidats doivent être économistes ou généralistes ayant une connaissance en économie. Ils doivent avoir de l'expérience de l'administration des pays en développement (de préférence en Afrique) et connaissance des organismes de bailleurs de fonds et modalités de préparation et évaluation des projets. Connaissance du français obligatoire, anglais souhaitable.

Le ministère de tutelle du projet est le Haut Commissariat chargé du Plan et de la Coopération Economique et Financière, qui a des mandats plus détaillés pour le poste. La rémunération et les avantages, de niveau international, seront en fonction de la formation et de l'expérience. Les particuliers et bureaux d'études sont invités à soumettre leurs candidatures avec curriculum vitae et date de disponibilité à l'adresse suivante:

Docteur Guy Darlan
Haut Commissaire chargé du Plan et de la Coopération Economique et Financière
Présidence de la République
Boîte Postale 732
Bangui
République Centrafricaine
Telex: 5208 RC
Cable: MINIPLAN, BANGUI

SENIOR VICE PRESIDENT

EUROPE, MIDDLE EAST, AFRICA

This position to be based in the U.K., is available with a U.S. multi-national consumer products corporation.

Responsibilities include providing executive leadership to our affiliate companies, sales offices, and distributors, as well as having overall profit responsibility for the territory.

The qualified applicant must have 15 to 20 years' of international general management experience, preferably in the toy industry, managing world-wide multi-regional affiliates. We require a strong profit-oriented executive who understands sophisticated international marketing techniques and has expertise in the disciplines of finance, manufacturing, and sales.

To qualify for consideration, please send your resume (c.v.) and salary history to:

Box A8206, Financial Times
10 Cannon Street, London, EC4P 4BY

Only resumes with complete salary histories will be considered.

EUROPEAN SALES MANAGER

Leading American automotive after-market company is seeking a key employee to handle all sales in Europe and the U.K. Salary plus incentive bonus and arrangement.

Respond via TWX (910) 586-4623 or call U.S.A. (213) 869-0311
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Calif. 90660 U.S.A.
Attention: Mark C. Bleiweis

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01-637 7604

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to aid and assist us in marketing a new sophisticated electronic game and diskettes for computers for markets outside USA and Canada.

Contact: 516-536 7101, USA
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Accountancy Appointments

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Credit Insurance

Accountant/Underwriter City

We want a Chartered Accountant with practical post-qualification experience, preferably in insolvency.

The vacancy is in a new and rapidly expanding Credit Insurance underwriting team protecting major international businesses from catastrophe trade credit risks.

The requirement is for a lively interest in the practical workings of industry and commerce and an ability to read between the lines.

The job will entail exposure to all aspects of the work before any specific long-term responsibilities are assigned. This is part of a planned development and when responsibility is given, it will be substantial.

Salary, car and benefits appropriate to this unusual responsibility.

Submissions in the first instance to:
Alastair Malcolm, Director, British National Insurance Company Limited, 52-54 Leadenhall Street, London EC3A 2BS. Telephone: 01-488 3464.

BRITISH NATIONAL

Deputy European Finance Director

Qualified, 28 to 32

f.m.c.g.

c.£19,000+car

The company is a subsidiary of an international and high-profile market leader, which continues to achieve world-wide success with its principal products. It is now committed to a multi-million dollar diversification programme. A lean executive function in London drives the European, Middle East and African marketing efforts.

This job is seen as vital to maintaining the current level of success of the team. The role is primarily threefold: creative input to performance and cost control of existing business; project and acquisition evaluations; and integration and monitoring of new companies' activities.

Success can lead to general management opportunities from this business-oriented role. The highest standards are therefore sought.

Candidates will be qualified accountants, with an excellent academic and career record demonstrating broader than average experience. This must include at least two years in a marketing-led environment. Strong personal presence, a professional approach and complete commitment are paramount, to match the company's own persona.

Please write in confidence giving concise career and personal details and quoting ref. ER608/FT to I.D.Tomisson, Executive Selection.

Arthur Young McClelland Moores & Co.,
Management Consultants,
Rolls House, 7 Rolls Buildings,
Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Company Accountant

Northamptonshire c £11,500 + car

Our client is a well established wholly-owned subsidiary of a UK public quoted company. A qualified accountant is sought to work with and directly under the two joint managing directors.

Candidates, aged 30-35, should be familiar with computerised systems and have proven ability within an industrial environment. The position is responsible for the operation's total accounting function and offers considerable scope for financial development. Candidates should possess the following attributes:–

- ★ Accurate technical and financial expertise enabling deadlines to be met.
- ★ Positive and effective decision-making ability.
- ★ First class communication skills, both written and verbal.
- ★ Initiative, intelligence and acute business awareness – vital for the development of this role.

For an individual possessing the right qualities and able to take on considerable responsibility, this appointment offers the very real possibility of a senior management position; thus career prospects and rewards are excellent.

Candidates should send a comprehensive curriculum vitae to **Terry Benson** at 24 Bennetts Hill, Birmingham B2 5QP. **Telephone: 021-643 6255.**

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

FINANCIAL OPPORTUNITIES—EUROPE

Our client's outstanding record is based upon a belief in achieving standards of excellence in all aspects of its business. Through natural growth and acquisition the company has trebled its size in 3 years and now employs over 4,000 people with representation in every major European market, and has its headquarters in West Sussex.

Marketing Financial Manager
£18—£20,000+Car

Each national marketing subsidiary is an accountable profit centre operating within a total framework that is co-ordinated from the European headquarters. Throughout this structure the company is committed to a carefully developed financial and business planning discipline that achieves constructive and effective two way communication.

The European Marketing Financial Manager, whilst part of the Finance function, is expected to provide a comprehensive Financial service to the Marketing Vice-President and work closely with the management of the marketing subsidiaries, to influence the profitability of the business.

We are seeking candidates in their early 30's, preferably business graduates with an accountancy qualification, who have financial analysis and planning experience gained within a marketing led consumer company, utilising sophisticated EDP systems. Ref: 469.

Manufacturing Financial Analyst
to £14,000

There are five separate manufacturing locations in Europe including both component and assembly plants from which national marketing companies source product. The emphasis is upon high volume manufacture of high value product with each plant utilising a comprehensive standard costing system.

Reporting to the Manufacturing Financial Manager you will be fully involved in all budgetting, forecasting and analytical services that are provided to the Vice President—Manufacturing and to local plant management. You will be expected, on your own account, to be heavily involved in a wide variety of important projects.

Applicants in their mid to late 20's should be qualified, and offer management accounting experience preferably gained in a high volume, tightly controlled manufacturing environment. Ref 470.

Both appointments will involve regular European travel and it is essential that your financial skills are matched by the commitment and enthusiasm necessary to be successful in these demanding roles. The positions carry an excellent fringe benefit package including relocation assistance where necessary.

Candidates of either sex, should apply in confidence, quoting the appropriate reference number to: Johnson Wilson—Management Search, 67/69 High Street, Winchester, Hants., or telephone Winchester (0962) 53319 (24 hour service).

JOHNSON WILSON MANAGEMENT SEARCH

GLC

Working for London

–Finance Department–

Head of Borrowing and Funding Services

£19,908-£21,483

This post carries responsibility for 25 staff dealing with borrowing, investment and insurance.

The post-holder will be directly responsible to the Comptroller of Finance on all financing decisions on borrowing and investment and to the Director of Financial Services on administration and all insurance matters.

The work of the department involves responsibility for the Council's loan debt of £2,300m with an annual borrowing requirement of some £350m, investments of the Superannuation Fund totalling some £500m, and insuring the Council and the Authority against property and other risks.

The Head of the Branch is supported on investment work by two senior officers covering stock exchange and property investments respectively. In addition to the general management responsibility the Branch Head will have personal responsibility for matters connected with the actuarial valuation of the Superannuation Fund and its apportionment with other authorities following the housing transfer; and also have responsibility for supporting the Comptroller on special assignments.

Candidates will have proven ability and sound experience in financial management; he/she will also have the ability to communicate effectively. Possession of a recognised accountancy qualification is considered essential for this post.

For further details and an application form, which must be returned by 10th June 1983, write to Senior Officer Appointments, PE/FT, Greater London Council, The County Hall, London SE1 7PB or telephone 01-633 6665.

The GLC welcomes applications from all sections of the community, irrespective of an individual's sex, ethnic origin, colour or sexual orientation and from people with disabilities who have the necessary attributes to do the job.

The GLC is an equal opportunities employer

ACCOUNTANCY ACCOUNTANCY

RH

CORPORATE PLANNING

Troubleshooting role for a graduate ACA aged 25-30 with excellent broad audit experience. Working with the small Head Office team of this international trading corporation, candidates must be excellent conceptual thinkers, independent and ambitious. Travel will be worldwide and prospects to line management. This is not an audit role. CITY BASE. Ref: S.C.

FIRST COMMERCIAL ROLE

The successful U.K. subsidiary of a major U.S. Insurance group offers an excellent career move to a young, recently qualified Chartered Accountant. Primarily involved in financial reporting, the position of Financial Accountant will also be responsible for the development of computerised accounting systems and profitability analyses. Candidates should possess well-developed communication skills, a good exam record plus experience of computer-[illegible] systems. CITY. Ref: J.G.

EXIT PROFESSION

Opportunity for a recently qualified graduate ACA to join expanding U.S. computer company. The role of Accountant covers ad hoc project work, investigations/acquisitions, supervising the preparation of annual accounts, and international tax management. A strong personality, excellent communication skills plus enquiring mind are essential attributes. Prospects either U.K. or abroad. WEST END. Ref: S.C.

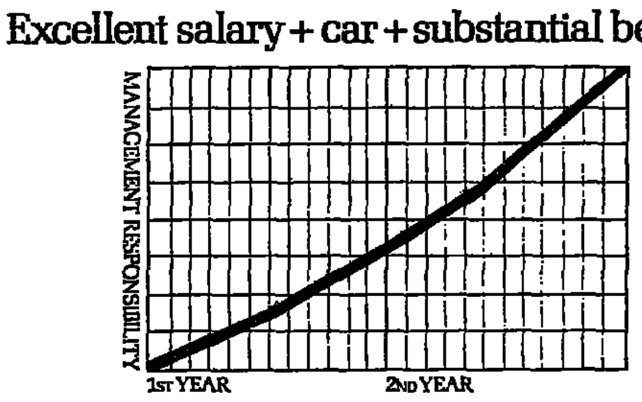
HEAD OFFICE ROLE

Promotion to an op[illegible] unit has created a career opportunity for an ambitious, qualified accountant. Key responsibilities cover management reporting, financial planning/analysis and systems advice to subsidiaries. Reporting to the Financial Controller of this profitable holding company, you will have every chance to prove your technical and inter-personal skills. MIDDLESEX. Ref: V.M.D.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2 01-606 6771

Recently qualified Business Accountants

Excellent salary + car + substantial benefits.



How much can you grow in 2 years?

A major company of international repute enjoying strong financial leadership seeks a small number of able business accountants to join its Corporate Audit function.

Corporate Audit operates worldwide to support the board, via the Audit Committee, to assess the efficiency and effectiveness of the Company's operational control systems. The department's terms of reference are demanding and include non financial activities both in the UK and overseas, often of a special nature at the direction of Chief Executives.

Opportunities exist for a small number of graduate chartered accountants, aged 24 – 29 years with experience of international business through one of the major accounting firms. Individuals must be self starters who can demonstrate the capacity to secure a senior financial line position within two years. The department's track record in this regard is excellent. Successful candidates will possess a sharpness of vision, an ability to write clear, concise reports and will be able to persuade management to take timely cost effective action to improve controls and performance.

Conditions of service include a competitive salary and other benefits associated with an international Company including generous relocation assistance where appropriate.

Please telephone Max Emmons for an application form on 01-387 8943 or write to him, enclosing full CV, at: Lockyer, Bradshaw & Wilson, 178 North Gower Street, London NW1 2NB.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Senior Management Accountant – Production

Suffolk c.£13,000 + car

Norsk Hydro Fertilizers Limited is the UK subsidiary of a major multi-national in the energy business and one of the world's largest fertilizer manufacturers. The UK company has a turnover of c.£200m, and three main manufacturing sites administered from its Headquarters in Felixstowe, Suffolk.

Internal promotion within the head office management accounting function has created a vacancy for a Management Accountant to specialise in the production area.

Reporting to the Chief Management Accountant but working closely with the Production Director and his senior managers, you will play a major role in the compilation and co-ordination of budgets. You will assess and interpret performance, improve and develop reporting systems and carry out special projects including the review of capital projects.

You must be qualified, aged over 28 and have substantial experience of computer-aided accounting in a manufacturing environment. A confident, outgoing personality and the ability to influence management decisions by good quality written and verbal presentations are essential.

In addition to an attractive salary, the usual large company benefits will be offered, including assistance with relocation and a 2 litre car.

Applicants, male or female, should send a c.v. to:

Alan Aldred, Senior Personnel and Training Officer, Norsk Hydro Fertilizers Limited, Harvest House, Felixstowe, Suffolk IP11 7LP.

NORSK HYDRO FERTILIZERS

Financial Investigations

Balfour Beatty is a major international construction group with an annual turnover of approximately £600m.

An opportunity has arisen to join a small team based at the Group's Head Office near Croydon, which undertakes a wide range of review and investigation assignments both in the UK and overseas. Travel will be up to about 50%.

Applications are invited from Chartered Accountants with at least 2 years post qualification experience. This is a challenging appointment, and the successful applicant must have the ability to deal with all levels of management. Prospects for career advancement within the finance function are excellent.

There is an attractive remuneration package together with a company car, private health insurance, and other benefits. Relocation expenses will be paid where appropriate.

Applicants should send brief career history and personal details for the attention of the Group Personnel Manager, Balfour Beatty Limited, 7 Mayday Road, Thornton Heath, Surrey CR4 7XA.

BB Balfour Beatty
THE INTERNATIONAL ENGINEERING AND CONSTRUCTION GROUP

FINANCIAL DIRECTOR

East Midlands neg to £15K + Bonus + Car

● Our client is a **progressively-minded** and **dynamically-led** profitable manufacturing company with an **impressive growth record**. The Board now wishes to appoint a Financial Director (designate) to take overall financial control and to play a major role in further development.

● The successful candidate will be a qualified **accountant** with a sound background of progress in **manufacturing industry**, together with experience in the use of **computer systems** and, ideally, export experience and familiarity with growing medium-sized companies. He or she will be a **team-minded communicator** — decisive, crisp, a deadline meeter. Age probably 35-45.

● **Salary negotiable to £15K** with **bonus** which should add at least £2K. **Car. Pension. Assistance with relocation** if necessary. **Confirmation of directorship** anticipated within 6 months. **Above all, an excellent opportunity to build a career within an environment of dynamic yet controlled growth.**

● **For further details and an application form please telephone Lyn Mewes, Recruitment Secretary, on Windsor (07535) 67175 (24 hrs) quoting Ref. DM/441.**

ICFC CONSULTANTS LIMITED A subsidiary of Finance for Industry plc

Accountancy Appointments

Assistant Financial Controller

Mayfair
c£13,500+ bonus

Our client is a holding company with interests in property development and house building, which has an aggressive entrepreneurial record for expansion through acquisition. A small central staff control, plan and develop the group's interests in a number of public and private companies.

A young Accountant is required to join this central team and take responsibility for monitoring subsidiaries' financial controls, reporting and cash position as well as for group accounting, tax planning and investigations.

Candidates, qualified ACAs with a commercial outlook, should be in their mid twenties with up to 2 years' post qualification experience, including consolidations and audit reviews gained in a major accountancy firm.

In addition, exposure to international tax planning and budgetary control would be useful assets. The group's programme for rapid expansion demands candidates of a high intellectual calibre.

Please send in confidence full personal and career details to Mark Rodrigues, quoting reference 1183/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Divisional Accountant

INTERNATIONAL CONTRACTING

SURREY c. £15,000

Our Client, part of a substantial British Group, designs and installs sophisticated electronic systems for both UK and overseas customers. A significant proportion of the business is in the Middle East.

The Divisional Accountant is responsible to the General Manager for all aspects of budgeting and accounting for this £6m turnover business. Particular emphasis is placed on the effective financial management of major contracts, from tender through to completion and including responsibility for project cost control and payment terms.

Applicants, aged 28+, should preferably be qualified accountants, ideally with some experience of the financial control of contracts undertaken in the Middle East.

Some overseas travel will be necessary.

REWARDS: Salary is for discussion c. £15,000 with excellent benefits including relocation assistance where necessary.

Applicants of either sex apply in confidence **Ref: 904**

Hales & Hindmarsh Associates Ltd.
Century House, Jewry Street,
Winchester, Hampshire
☎ (0962) 62253
Search and Selection

FINANCE DIRECTOR

Our client is the leading company engaged in the field of international financial printing and communications. This private company has world wide blue chip clients and operates from its headquarters in the City of London.

The position requires a graduate qualified accountant aged 35-45, with at least 10 years post qualification experience in a manufacturing/service environment and who is currently operating at finance controller or director level.

Reporting to the Managing Director the successful applicant will be responsible for managing the financial, accounting and reporting functions supported by a staff of 12. A working knowledge of computer based management information systems and the ability to introduce new systems will be vital essentials. Clear evidence of successful management of change, problem solving and project management will be sought, so will be the ability to become an active member of a young and progressive management team.

Salary is negotiable around £20,000 and the position carries an executive car and other benefits associated with such a senior appointment, including profit sharing bonus, pension and BUPA.

Male or female applicants should apply in the first instance in strict confidence enclosing full personal and career details to Mercuri Urval Limited, 1 College Road, Harrow, Middlesex HA1 1YZ, quoting reference 527.

Mercuri Urval

habitat / mothercare

Financial Controller

New Appointment **c £17,500 + car**

You will join a recently formed subsidiary of this major and fast-expanding international Group which has an enviable reputation in the retailing world with its concept of "good design at good prices" and its imaginative selling through some 500 outlets. Reporting to the Managing Director you will establish the accounting function and provide commercial management, particularly in relation to project costing, for some 100 staff engaged in the design of retail outlets, products, clothing, packaging, advertising and catalogues. Additionally a positive contribution to the overall management of the company will be expected. Located at the London (West End) Group Head Office you will have close contact, in a dynamic working environment, with senior Group executives and there will be excellent opportunities for career progression. Aged about 30 and qualified, your industrial/commercial experience should include computerised accounting and must demonstrate an ability to cope with the flexible attitudes so inherent in the design industry.

Telephone: 01-247 9431 (24 hour service) quoting Ref: 0482/FT. Reed Executive Selection Limited, 122 Whitechapel High Street, London E1 7PT.

MERCHANT BANKING A.C.A.'s

Neg. to £16,000 Package

Recently qualified or aged up to 30

Please telephone and send c.v. to:

Barry C. Skates
A.A.E.
1/3 Mortimer Street
London, W1
Tel: 01-637 5277

Financial Controller

Bombay, India

Colgate-Palmolive, a major international organisation, has an opportunity for a Financial Controller in our Indian subsidiary.

Reporting directly to the General Manager, the successful applicant will be responsible for all areas of financial activity, including budget and planning, treasury and M.I.S.

The successful candidate will be expected to have first-class communication skills, both written and verbal, be self-motivated and be able quickly to give a positive contribution to the Company's operation.

As a major multi-national, the opportunities that we can offer to progress to the highest financial positions are excellent. This, of course, depends on your capabilities.

The position carries with it a salary and benefits package which will be commensurate with your age and experience.

In the first instance, please write with full career details to Mr D. H. Casson, Personnel Manager, Colgate-Palmolive Ltd., 76 Oxford Street, London W1N 1EN.

Colgate-Palmolive

Financial Controller

Nairobi ***to £18,000+House+Car***

Our client a manufacturing company subsidiary of small international group seeks a well experienced commercially motivated accountant as Financial Controller.

Candidates must be qualified aged 30/40 preferably worked overseas and developed and implemented costing systems in a manufacturing environment. Prospects of a move into General Management in the medium term are excellent.

In addition to attractive salary, free house and car fringe benefits include pension scheme, child education grant, club membership and 30 days leave per annum.

Applications to R. J. Welsh,

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387
(Associate Offices in America & Nigeria)

REGISTER OF QUALIFIED ACCOUNTANTS

The Select Candidate Approach.

For companies seeking senior financial executives discreetly and cost effectively, we provide access to those candidates who are not actively pursuing the market but who would nevertheless be interested in certain career opportunities.

For further information on our search and selection procedures please contact:

Z. Gardner (Research)
UNADEX, 170 Bishopsgate
London EC2M 4LX
Telephone: 623 2918

FINANCE CONTROLLER IN PROFESSIONAL SERVICES 28-38 AGE

Expanding international company specialising in profit improvement projects for major retailers and consumer goods distributors requires a capable and hardworking executive to work directly with Chief Executive to take over responsibility for:

* financial control
* office administration
* investment directions
* legal and secretarial
* systems applications

Ideal candidate will be around 28-38 years with good first degree and accountancy qualification willing to accept challenge of direct contribution to the growth of this tightly knit company and capable of progress to Director.

Salary is negotiable depending on experience and ability and can be over £15,000 p.a. Profit sharing, non-contibutory pension and medical cover are additionally available.

Please write to Chief Executive with CV for appointment.

Edward R S Whitefield
Management Horizons (UK) Limited
Ryde House
391 Richmond Road
Twickenham
Middlesex TW1 2EF

Finance Director

£25-27,000 salary net

Our client is a long established profitable group, with a £30 million turnover, engaged in a wide range of trading activities, shipping, manufacturing, tourism and hotel investment. The group is located in an unusually interesting and particularly pleasant developing Country and is associated with an important U.K. based international company. There are good career prospects.

The Finance Director who must be a Chartered Accountant with a good track record in commerce or industry, will have to deal with top level governmental and institutional officials and therefore should have a well rounded education. An ability to speak French is preferred as is overseas experience. Age 35-45.

The remuneration package will additionally include housing and services, car, educational and home leave and other allowances.

Please write with full career details to David Munns, Managing Director, Korn/Ferry International Limited, 2/4 King Street, St. James's, London SW1 6QL.

KORN/FERRY INTERNATIONAL

Accountant

Circa £14,000 + car

We have been retained by a UK Insurance Company who are American owned to select a Professionally Qualified Accountant to join their Surrey based Financial Accounting Division.

The Divisions major responsibility is the Financial Control of the Group UK Insurance Company and its Underwriting Agencies. Additional responsibilities include the UK Subsidiaries of two Japanese Insurance Companies.

Reporting to the Company's Chief Accountant, the successful candidate will become a key member of the Management Team, and be expected to provide a significant contribution in terms of Corporate Development, Financial Appraisal and Computer Systems.

The position offers the scope and opportunity to secure a challenging and rewarding career with a company committed to expansion.

Suitable applicants are likely to be aged around 30 and preferably possess an Insurance background, although the more essential components are ambition and a desire for total efficiency.

An attractive Fringe Benefits Package is offered which includes a Contributory Pension Scheme, Free Medical Expenses, Permanent Health and Life Assurance Schemes.

Please send your detailed c.v. to David Curtis,
P.E.R.,
4/5 Grosvenor Place,
London SW1X 7SB.

PER Confidential Reply Service

CHIEF ACCOUNTANT

Middlesex c£13,500 + benefits

Our client, jointly owned by two large well-known US and UK public groups, has established a fine reputation for the manufacture and marketing of a range of catalysts and chemical products for use in the oil industry. Production is in the UK, France and Germany, and the markets are worldwide.

The Chief Accountant will be responsible to the Managing Director for all aspects of financial management and control including budgets, treasury and foreign exchange, tax, etc., but specifically for monitoring, consolidating and reporting regularly upon the performance of both the UK and European companies both to local and group management, and for financial planning. Systems are computer-based.

Candidates, preferably in their early 30's, must be qualified with good commercial experience of multi-site operations and must have a flexible, adaptable approach. The salary is negotiable around £13,500 p.a. plus benefits.

Applicants should write in confidence with details of previous experience and current salary, quoting reference DF 1917 to John Hills at

Dearden Farrow A.I.M.,
Management Consultants,
40/43 Chancery Lane,
London WC2A 1JJ.

A.I.M.

Finance and Administration Manager

c. £12,000 **Central London**

Lydiastar, part of the DHL Group of Companies, is the leading telecommunications service and provides enhanced Telex Services on a worldwide basis. The Company wishes to appoint a qualified Accountant, male or female, as Finance and Administration Manager at their Central London offices.

Reporting to the Managing Director, you will be responsible for the full finance and administration services of the Company with emphasis on costing, credit control and management accounts. You will be a key member of a small but energetic team where self-motivation counts. This is a rewarding position with excellent career opportunities within the DHL worldwide Group.

Please send written applications, containing full career and personal details, to:

A. West, Management Resources International Ltd., St. John's Place, 37-43 High Street, Hampton Wick, Kingston-upon-Thames, Surrey KT1 4DA.

LYDIASTAR TELECOMMUNICATIONS
Part of the DHL Group of Companies

Accountancy Appointments

Director of Finance

London **c £30,000 + car + benefits**

Our client is a marketing-orientated US multinational with operations at a number of worldwide locations. A steady growth rate and successful expansion has resulted in a UK regional turnover of around £25 million.

A graduate-calibre qualified accountant is now sought to be responsible for the UK's financial operations. Candidates should have multi-national exposure at a senior level. The role reports to the financial headquarters in New York and is responsible for financial planning and control within the UK.

Vital elements of the appointment involve considerable man-management skills, including excellent communicative ability; familiarity with computerised systems; continual liaison with marketing management; and an aggressive commercial approach. Mobility is a key factor as occasional overseas travel is envisaged and it is likely that the position will lead to an overseas posting – possibly USA – after 2-4 years.

For an individual, aged 30-35 years, with ambition, dedication, an exceptional track record together with the ability to respond positively in a progressive environment, the financial rewards and career prospects are first class.

Candidates should write, enclosing a comprehensive curriculum vitae and quoting ref. 920 to Nigel Hopkins, FCA at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Wanted! Alive!

An accountant who can do more than count

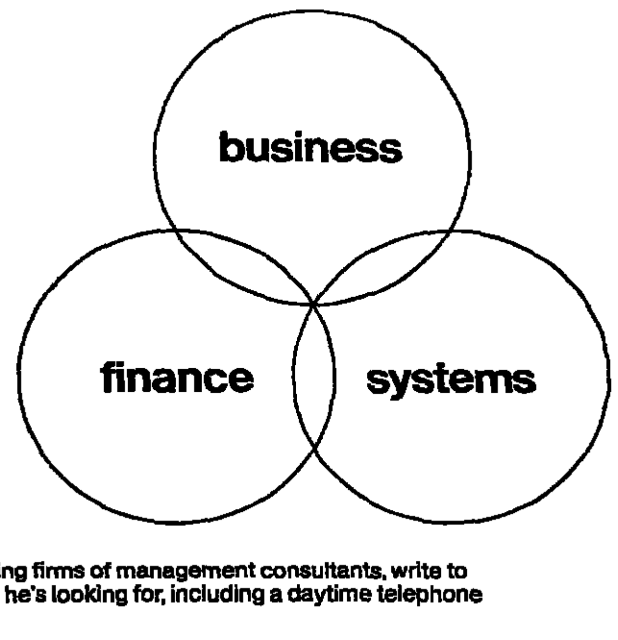
Reward c. £17,000

C&L

are you?
- a qualified accountant
- a university graduate
- currently working in industry or commerce
- aged 27-30
- alive and well and living near Reading.

can you?
- address problems logically
- implement solutions.

do you want?
- exposure to a wide range of businesses
- to grow fast
- to join an expanding team of professionals.



If so and you would like to join one of the UK's leading firms of management consultants, write to Neil Drummond explaining why you are the person he's looking for, including a daytime telephone number and quoting Ref. 20/76.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Bridewell House, 6 Greyfriars Road, Reading RH1 1JG.

FINANCIAL CONTROLLER

London **c £22,000 + car**

The Company is a major division of a privately owned Group having a turnover in excess of £80m, involved in the most buoyant sector of the food industry. The high calibre of the present very professional management team is clearly demonstrated by the rapid expansion and consistently high level of profits achieved.

The Financial Controller will report to the Managing Director and take full control of all aspects of the financial function.

The person appointed will be an important member of the management team of the Company, and will be encouraged to play an active part in the day to day affairs of the Company.

The position calls for a qualified Accountant, probably aged 30-38, with sound, broadly based financial experience, *ideally involving f.m.c.g. The Company's business is particularly* fast moving and demands an exceptionally quick mind and a very decisive character. Experience of international currency is also desirable.

Salary is negotiable around £22,000 plus car and a full range of benefits. Prospects for further advancement are excellent.

Please send in a detailed c.v. or contact us for an application form:

Vincent Lyddieth

PERSONNEL SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ
Telephone: 021-705 7399 or 021-704 2851

ACCOUNTANT

required for permanent position for medium-size company.

Age not important. Salary according to experience.

*Please write Box A8226
Financial Times
10 Cannon Street
London EC4P 4BY*

Assistant Company Secretary Lloyd's Agency

up to £25,000 p.a. + car + benefits

Our client, a profitable and expanding Lloyd's Managing Agency is now seeking to recruit a successor to their company secretary who will be retiring at the end of 1984. The successful applicant is likely to be a chartered accountant in his/her middle 30's who has gained secretarial experience in a publicly quoted company, ideally in the Lloyd's market. Reporting directly to the present secretary, the assistant will have day to day responsibility for a wide spectrum of company secretarial functions. In addition it will be necessary to work closely with the financial director on planning for and implementation of a 'public listing', which forms part of the company's corporate strategy. The company offers an attractive range of fringe benefits and provides every opportunity for a worthwhile and personally satisfying career in the City. Please write in strictest confidence, giving full details of career and experience to date to Stuart Rochester at:-
Neville Russell, Chartered Accountants,
246 Bishopsgate, London EC2M 4PB.

Neville Russell
Chartered Accountants

Financial Controller (Director Designate)

City **c £19,000 + car**

Our client, a substantial Lloyd's broker with a profitable £2.4 million insurance broking commission in 1982, is part of a public group of companies whose diverse and profitable activities also include engineering and property development. The group of companies plans to maintain its enviable growth record including the continued expansion of the insurance broking activities.

To assist with this expansion a Chartered Accountant is now required to make a *positive contribution as part of the insurance* broking senior *management team* on *all* financial and accounting matters. Principal responsibilities will include the development and management of the accounting function, and effective cash, currency and investment management.

Applicants, aged 35 to 45, must have already gained significant management experience in insurance broking, preferable Lloyd's and should also have practical experience of cash, currency and investment management. Candidates should also be able to demonstrate a progressive career to date as the basis for the future career potential which the appointment offers.

In the first instance please write in complete confidence quoting Ref: 27626 and submitting a curriculum vitae to:

**Peter Childs,
Pannell Kerr Forster Associates,
Lee House,
London Wall,
LONDON EC2Y 5AL.**

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

Assistant Investment Manager

Venture Capital

C.I.N. Industrial Investments wishes to appoint an additional manager due to the continuing expansion of the venture capital investments. The company is the direct investment branch of the Coal Industry Pension Funds and has a long term commitment to project finance and small company investment.

Reporting to a Director, the Assistant Investment Manager will be required to review investment opportunities and recommend appropriate structures as *well as monitor existing investments.*

Candidates should have an accounting or financial qualification and relevant experience.

Salary will be dependent on qualifications and experience and excellent conditions of service include generous leave.

Please write with full details to

CIN

D. J. Prosser, Managing Director,
C.I.N. Industrial Investments,
c/o Staff Department, Room 237,
Hobart House, Grosvenor Place, London SW1X 7AE.

This appointment is open to men and women.

NCB

Exceptional Graduate Chartered Accountants

London **£12–13k**

Your university degree is a vital component in our client's assessment of your career to date. *They are particularly keen to meet ACA's/CA's with a science, mathematics or* engineering degree.

Two varied positions now offer the scope to use your degree skills within the wider aspects of this multi-national business.

They also offer an excellent remuneration package, choice and flexibility in career planning and the opportunity to become involved in the forefront of future technology.

Interested applicants should contact **Robin McWilliams, M.A. on 01-242 0965** or write to him at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

WEST LAMBETH HEALTH AUTHORITY

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Avon sharpens its strategy

IF YOU are one of the world's 1.3m Avon ladies—one of those house to house sellers of the famous American cosmetics—you may have to look to your laurels. The company is becoming less tolerant of those of its representatives who content themselves with a modest level of sales in their allotted territory, usually by selling just to friends and relations.

"I wouldn't say Avon had been running out of steam, exactly," says Jim Preston, president of the Avon division of the company since late 1981. "But maybe we have concentrated too much on adding representatives to our salesforce and not enough on productivity. By subdividing sales territories into units of only 100 homes we have got to the point where some people aren't serious about selling."

In the past few months Avon has embarked on a sharply different strategy aimed at recruiting a more ambitious and productive kind of sales representative, spending heavily on advertising and adopting a generally higher profile after several years of a more discreet existence. The new strategy is being applied first in parts of the U.S., which accounts for half the Avon divisions sales, will gradually spread across the country and then be introduced in Britain, other European countries and in the rest of the 30 countries where Avon operates.

Why a change was needed can be seen in Avon's 1982 results. Net sales of the Avon division (which make up about 80 per cent of Avon's total sales) fell 4 per cent last year to \$2.34bn (£1.5bn). Sales in the U.S. were static at \$1.23bn and although the number of representatives rose slightly, they collected smaller orders. International sales fell 7 per cent to \$1.11bn, heavily affected by devaluations, especially in Latin America, a major market for Avon. Operating profit for the division declined to \$337m and earnings per share for the whole company fell from \$3.66 in 1981 to \$2.75 last year. The only encouraging factor was a 3 per cent sales upturn in the last quarter of 1982.

The explanation for the poor figures lies largely with the recession, which hit Avon's market—the middle class—almost as soon as it began in 1979. But the recession showed up weaknesses in the company which up to then had been masked by fast growth.

Avon, which was founded in 1886 by David H. McConnell from New York State (he later named the company Avon because of a fondness for Shakespeare and his birthplace) is based entirely on house to house selling. Its products—cosmetics, scents and fashion jewellery—may be advertised but are only sold in the home. A world-wide network of district managers (almost all women) control an army of Avon ladies who distribute samples, take orders, pass them back for delivery within five days, and supply them to the customer—"hopefully taking a repeat order in the process," says Preston.

"Good morning—guess who calling?"

The Avon lady gets a 40 per cent commission on all sales, and the district manager, who are salaried, can get a commission equal to about 10 per cent of their total pay if they are successful.

In the U.S., where there are 450,000 Avon ladies, the system has been perfected to a fine art. Virtually every dwelling in the country is know to Avon ("we have as good information about the country as the census bureau," says Preston, "and we get it simply by counting.") As Avon's penetration increased and more representatives were hired the standard unit for each saleslady declined to only a hundred homes.

But that is now thought to be part of the trouble, since it makes it too easy for the Avon lady to register a just about acceptable level of sales without doing much work. Avon ladies are supposed to call on every home in their territory once every two weeks (once every three weeks in Europe), but many are just confined to getting the products for themselves and selling to their homes—typically just five or six homes, instead of a potential hundred.

One consequence of this, says Preston, is frustrated customers. "We know that there are 11m to 11.5m households that have Avon products but can't get any more because the representative doesn't call. Some 43m households bought Avon in 1981 in the U.S."

"For a time incremental sales were outpacing our management costs," he says. "But with the recession the cost of servicing the territories got very high and the sales level from 100 homes was too low to justify it. Instead of 20 sales a week we want 50, 60 or even a 100."

The new policy is aimed at getting women who are keen to earn \$20,000-\$30,000 a year, instead of about \$50 a week—"people who regard it as a business opportunity rather than just a fun thing to do." Representatives' territories are to get larger for the keener ones and the commission is going up to 50 per cent above a certain level of sales. Under a programme that began last year, some representatives are becoming group sales leaders—a new category, coming beneath the district manager, and with the job of training and enthusing the representatives under her, and earning higher commissions.

At the same time Avon is spending between \$20m and \$30m this year on advertising—spending that is only worthwhile if salesladies are available and willing to follow it up. For the company has no intention of abandoning direct selling: there may be difficulties of communication between customer and saleslady, but, says Preston, "you're not having to persuade an outlet like a shop to display Avon more prominently than other makes—once the representative goes into the home she is only selling Avon.

Preston was in Rome recently to greet 250 American district managers who were given a free week's holiday at the luxurious Excelsior Hotel in the Via Veneto as a reward for their outstanding performance in 1982—they belong to what the company calls its Circle of Excellence. For, despite the fact that being an Avon representative is presented as "running your own business," motivating representatives and district managers is a crucial and constant need.

While the U.S. is the heart of the Avon business, both Europe and Latin America are major markets. The UK is Avon's best and fastest growing market in Europe, having recently overtaken West Germany, where door-to-door selling still meets resistance. Northern and Central Italy is a good market, while France and the low countries, where calling on strangers' houses is less accepted, are less satisfactory. Latin America, especially Brazil and Mexico, are good out-though the middle classes there are a relatively small proportion of the whole population, the cosmetics market is relatively undeveloped and Avon's market share is far higher than in the U.S.

The Avon division is still the most important part of Avon but in recent years it has diversified by purchasing Mallinckrodt, a health care products firm ("it's a non-cyclical business—people don't stop getting sick in a recession"), a direct mail company, and Tiffany and Co, the famous jeweller. "But they all remain separate businesses—there is no question of selling Avon products at Tiffany or using Avo nmethods to sell Tiffnay products," Preston says.

By James Buxton

Marketing research

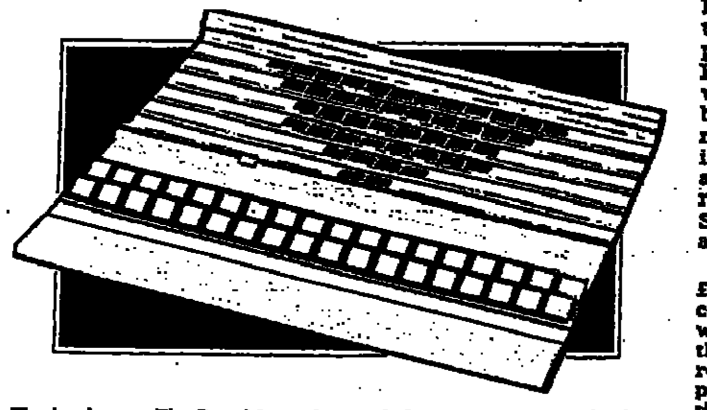
The 'why' of good and bad

BY FEONA McEWAN

IN A JUNGLE where competition rules OK, it is the street-wise animal that stays the fittest. In business, too, it's the company that knows what's what in the market place, that regularly takes the pulse of consumer needs and conducts its strategy in tune with shifting moods, that assures itself of a secure future. But how to do this? The search for ever more sensitive methods of achieving this absorbs many a marketing man's time.

Put the case another way. Ask a company if it knows how good it is and the answer is likely to be yes. Ask it if it knows why it's good and the chances are it won't know. The same with competition. A company may know how good its rivals are but it is unlikely to know the reasons why. Yet knowing the answers to these questions can be the key to improving a company's performance.

In 12 days' time, an original research system that aims to answer these very questions is to be launched as a software package in both the UK and U.S. The Director system claims to provide an objective way of measuring the strengths and weaknesses of a company's performance across a broad range of related market factors.



The hardware—The Board is used to rank factors in consumer buying and personnel performance

It has been described by leading management authorities in the U.S. and Europe as being five years ahead of the field.

The software package aims to provide a framework for action by indicating the type of information a company must consider to assess its own standing in the marketplace. When "digested" by the computer the information emerges as a comprehensive table of figures, rating consumer needs in priority rankings across the various marketing categories. Thus, the importance of, say, product quality can be rated against service, price, publicity and so on. More importantly, it rates a company's performance in each category, and overall, against those of its principal competitors.

Altogether, some 150 clients have used the system on a consultancy basis, including blue-chip names in most industries and services, as well as government departments.

Forsyth believes that what sets it apart from other systems is that it has an "objective numerate base" which makes it easy to interpret research findings.

The system is the brainchild of Christopher Forsyth, a Scot who is a lawyer by training and an advertising man by inclination, who developed and produced it with the support of his management consultant father. Originally—and still—existing as a consultancy, the system broke its milk teeth in the U.S., Europe and Australia before settling into the UK. From the start it aimed at chief executives who recognised its use as a management tool that was easily implemented within their organisations.

Like Topsy it just growed, until demand could only be met by translating what was a consultancy for the few into a product (ie software packages) for the masses.

The company handling the software is Strategic Planning Systems International, in Marlow, Buckinghamshire, headed by managing director Bob Gilkes, ex-managing director of UCSL Microsystems, a Unilever subsidiary.

From the one germ many offspring are now spawned. Initially there will be three software packages—the Marketing Director, the Personnel Director and Sales Director—with plans for an Investment, New Product Development, and Advertising Effectiveness system before the end of the year. A number of further packages are in the pipeline, all relating to areas shown by SPSI's own research in Europe and the States to be of prime importance to chief executives.

Each software package costs £3,000 (initial start-up cost, including the desk-top computer, will be around £6,000), though there is claimed to be a good return on investment since the programmes can be used continually to monitor a company's progress against competition. SPSI has its own research and management consultancy back-up.

The company believes the system will appeal to firms with turnovers of at least £1m, perhaps even lower. In the more technologically-literate U.S., it expects to collect about 1,000 users by the end of the year, though a more modest sum in the UK.

"We're doing our own direct marketing in the States and UK but using distributors (about 20) throughout Europe," says Gilkes. "We're anxious to reverse the brain drain. Instead of waiting for them to bring the idea to us, we're going over there with the idea."

Finding the answers

● A leading engineering manufacturer, which was recognised as the world brand leader in its field but was only number three in the U.S., learnt through the system that though it had the best product technically it was failing to communicate this to the market. Its advertising and sales literature was pushing the wrong message, failing to stress the product benefits. The company consequently adjusted its message, by reallocating existing resources, with no additional expenditure, into selling the benefits. Twelve months later it topped the American market. The company is now recognised as trend setters in the field.

● One of Britain's leading national manufacturers of animal feeds and a main European distributor of cereal and herbage seed used the system for two objectives: to identify and quantify farmers' needs and, on a corporate note, to find out whether it was better to unify its newly-acquired independent merchandising businesses under the corporate umbrella or let them continue trading under their own names.

Pig farmers and dairy farmers were quizzed on their attitudes to animal feed and needs were identified, ranked and compared (competitors, too). From this the company was able to pinpoint what farmers wanted most in terms of performance and yield from their foodstuffs and so develop its selling strategy. Corporately, it emerged that the umbrella logo carried most weight with consumers and the company consequently unified its image, changing logos, stationery, lorries and office fascias of the independents overnight.

"This system is as meaningful a way of quantifying attitudinal research as any I know," says the company's marketing director. The findings were also used by the ad agency both indirectly by influencing strategy and directly in a trade ad that sings the praises of what it calls "a unique programme of market research."

● A leading tyre manufacturer was losing market share, but didn't know why. The system identified five key needs (mileage, comfort, roadholding, toughness and safety) that consumers regarded as important, with safety being the most important. On the back of these findings, the company launched a new "safety tyre" — which had already been developed — and the company became brand leader within a year. The product was the first of a trend for safety tyres.

THE ARTS

Carmen/New Theatre, Cardiff

Max Loppert

The new Welsh National Opera production of *Carmen* by Lucian Pintilie is the programme announces, an "improvised performance during a Carnival." There are tokens—sandbags and hideouts forming the set, dragoons got up in contemporary guerilla dress — of a South American revolution going on in the background (and, of course, improvised performances of *Carmen* are just the sort of thing likely to be put on during revolutions).

The chorus is always present, as a "local" audience who cheer and mock the characters, join in familiar lines, even (at the first notes of the Habanera) break into applause — this joke is thrice repeated at the start of the Toreador Song. Escamillo, a glitter-clad, autograph-dispensing superstar, is rendered in broadest stereotype; Micaela, on ballet points at the start, is a blind milksop (a distant descendant of Fenella, the mute ballerina heroine of Auber's *Masaniello*); the rural toughness that underlines her Act 3 rescue bid is nowhere in evidence.

In the scenes of greatest dramatic intensity the demotic background recedes a little (with the help of lighting of staggering brilliance by John Waterhouse), though not for long. The final confrontation is preceded by a procession of masks and tumblers, a rainbow-burst of colour after much drab that is brought off with high verve. This, and not the finale, provides the performance with its climax; for in essence this is a *Carmen* with its story placed resolutely in quotation marks.

It appears that some rather puzzling celebration attended the conception of this *Carmen*. It was suggested in the Times interview with Pintilie and further, by him and Anthony Peattie, in the WNO booklet programme. It runs roughly as follows: *Carmen* is now a "superopera," victim of a popularity so great as to shackle the work in near-impenetrable bonds of automatic response. What is therefore needed (and here I borrow the language of doctrinal imperatives usual in such arguments) is a radical *act of overhaul*, to save *Carmen* from itself. First *Carmen Jones*, then Brook's *Tragedie de Carmen*, now Pintilie— that is the official lineage of the rescue team, with the difference from Brook that Pintilie's opera intends to re-activate the opera's playful, part *opéra - comique* roots.

For most people, this will seem so much hogwash, so much intellectual frippery. The opera's popularity is no greater than that of, say, Beethoven's Fifth; what is always needed to "rescue" both (as the recent Royal Opera *Carmen* proved, in ageing sets, with ill-chosen supporting players, but with a sensitive conductor and an electrifying Carmen and José operating as a close-knit team) is authentic rendition by suitable performers—a musical unfolding, a tracing of the skein of relationships, with fine-nerved fidelity.

It is not *Carmen* that the WNO has staged, but rather a single producer's problems in contacting the opera freshly—and, given the blunted characterisation and dissipated emotional intensity that accrue therefrom, that staging is a poor exchange for the real thing.

This is not, however, something to get too heated about, despite the accompanying intellectual pretensions: for what we witnessed on Tuesday was, in effect, a jolly undergraduate romp, "naughty" at moments, with a coarse-grained vein of farce more to some tastes than others. The designs of Radu and Miruna Boruzescu, focusing on the animated tree-house that holds the centre of the stage, allow for moments of genuine theatrical magic, of spellbinding visual sufficient to check the tempers of serious *Carmen*-goers (who might have hoped for something rather more ambitious in a theatre of the right size for the work), and doubtless more than sufficient to persuade jaded palates that stimulating refreshment is on offer.

The performance style could even be seen as a cunningly devised, though not quite successful, attempt to make the best of a vocally inadequate cast. The American mezzo Jennifer Jones is a lustrous, sinuous actress but an uncertain vocalist, with small power and a truly effective range of about an octave—the rest is chancy. Helen Field (Micaela) and Henry Newman (Escamillo) struggle with their arias; only by the tight but rather affecting tenor of Jacque Trussell, a moving José, is one reminded of the native power of the music.

Henry Newman

Kees Bakels conducts a noisily exuberant reading, employing a spoken-dialogue version (in English) into which a fair amount of discredited additions from the Oeser edition have been stirred; in a performance of this kind, complaint about editorial impurity is frankly beside the point.

Dead Ringer/Duke of York's

Martin Hoyle

In a Number 10 whose wallpaper betrays a not too distant kinship with the décor of restaurants redolent of the Indian sub-continent, a smoothly efficient PM briefs his intimates on the brink of a general election. While speaking of breaking down class and racial barriers he chokes on a cliché and collapses, complaining of a pain "like a steel band across my chest."

He is referring, it transpires, not to a Jamaican outrage but to a presumed heart attack. The ineffectual Home Secretary's suggestion of an ambulance is briskly countermanded by the Minister for the Arts. "Get me some brandy instead," she snaps with the decisiveness we have come to expect of women politicians; and drinks it herself.

The leader's death spells potential disaster for the party as his deputy looks like Otto Klemperer and sounds like James Callaghan, a combination that his colleagues shrewdly surmise might have a damping effect on the ardour of the electorate. The Arts Minister remembers an actor once spotted in provincial rep who bears an all-too-canny resemblance to the dead premier; and the scene is set for a face-saving hoax to see the government through the election and back to power.

The situation is complicated by the dead man's wife (pretty cool) and Nigel, his devoted private secretary (pretty hot). A final twist is added for the first-act curtain: the PM died not of cardiac arrest but poison. At this, the audience, like the most hardened political commentators, stampede to strong waters.

So far, James Francis's play has chugged along quite cheerfully. Wishful thinking or heaven-sent coincidence has sent us a general election, though so far Thatcher-impersonators (as far as I know) have kept in their place—the serious world of entertainment—rather than stooping to the frivolity of politics. The dialogue is full of in-jokes about the theatre and not-so-in-jokes about politics—two enclosed worlds that the rest of us like to think we know about and can laugh at with an insider's knowledge.

The second half is top-heavy with explanation and revelation, the last scene being virtually one of those expositions, complete with startling unmaskings, that bulk out the last chapter of a whodunnit. William Franklyn's urbanity can pass off indifferent dialogue as wit: he opts for the line of least resistance and plays both politico and impostor with the occasionally wry suavity of which he is master.

Sylvia Sims and William Franklyn

He is supported by a cast who, with Roger Clissold's direction, faithfully reproduce, one feels, the sort of rep performance in which the obliging impersonator was first discovered. The play will certainly run until the election; after which both it and the then Prime Minister may have to withstand a newly suspicious scrutiny.

Record review/Max Loppert

Bold originals revisited

Tippett: Triple Concerto. György Pauk, Nobuko Imai, Ralph Kirshbaum/LSO/Colin Davis. Philips digital 6514 209, also on cassette

Berlioz: Lélio (with José Carreras and Thomas Allen), Tristia. LSO, John Alldis Choir/Colin Davis. Philips 9500 944, also on cassette

Berlioz: Les Nuits d'été (Kiri te Kanawa), La Mort de Cléopâtre (Jessye Norman). Orchestre de Paris/Daniel Barenboim. DG digital 2532 047, also on cassette

Britten: Our Hunting Fathers, six Folksong Arrangements. Elisabeth Söderström/Welsh National Opera Orchestra/Richard Armstrong. HMV digital ASD 4397, also on cassette

Britten: Our Hunting Fathers (Peter Pears/LSO/Benjamin Britten), On This Island (Pears/Britten), A Charm of Lullabies (Helen Watts/Britten). BBC Records REGL 417

Michael Tippett's concerto for violin, viola, cello, and orchestra is a work in which bold originality of thought and beauty of lyric feeling and sonority are combined. It is a happy exception to the disdainful treatment of most new music by the recording industry, though a just reflection of the wide popular favour in which the composer now finds himself, that less than three years after its premiere (at the 1980 Proms) the work should now be made available on record.

Tippett's late music, in spite of that general approbation, retains the power, uniquely Tippettian throughout a long career, to disconcert as well as to delight its hearers, to irritate or even embarrass its critics quite as much as to invigorate them. The largely enthusiastic initial reception of the concerto did not exclude those few dissenting voices who detected in the work's construction and content signs of looseness, and uncritical self-repetition.

The Philips record, designed most of all to give pleasure, is also excellently placed to subject all such opinions to searching examination; for it offers a presentation of which there can be scant criticism — an exemplary recording, in which almost all of the work's many complex levels of timbre and texture are accurately and imaginatively spaced, of an exemplary performance.

Colin Davis's grasp of the Tippett sound-world, long celebrated for its special perceptiveness, deserves renewed acclaim; and the soloists, those of the première, go far beyond virtuosity — though there is sufficient of that to call on for the many passages of executive intricacy — to work rich veins of characterisation in the three distinct, and nicely differentiated, styles of string-writing brought together into a *concertante* group.

An extremely but perhaps not unhelpfully generalised view of the work is that it marries the mosaic construction methods of the Concerto for Orchestra period to the more panoramic, "birth-to-death" scenario developed later in the Fourth Symphony. The Triple Concerto is late Tippett in that it simultaneously looks back and looks forward: the heart of the music is a central slow reverie, gamelan-inspired, its unison solo voices singing a long melody laced and lapped in exquisite flourishes of tracery, that revives the enchanted lyrical efflorescence of *The Midsummer Marriage*.

But that lyrical centre is abruptly reached, via a first movement of widely contrasted thematic groups in jagged assortment; and it is broken off, no less abruptly, in a way that allows Tippett's "world-view" preoccupations of more recent date to switch the focus. The reverie is interrupted by a jazz-tinged section, rather more a gesture in shorthand than a new train of thought (the most sustained critical disapproval was aroused by this section); it leads to a finale in which various component parts are re-assembled, but in a puzzlingly terse, almost offhand way.

For myself, I find that repeated hearing has brought increased conviction of a work holding together as a whole, not just on a patchwork in which some of the patches are of wonderfully immediate attractiveness. But whatever the final reckoning, this is a work, and a record, that rewards the closest attention. There has been complaint that its two sides, comprising a total of only 35 minutes' playing time, give rather short measure; yet they are 35 minutes jam-packed.

That Sir Colin is a matchless Berlioz conductor is another received opinion given passionate reaffirmation by the latest instalment of his Berlioz cycle. It contains oddities requiring—and here receiving—a control at once taut and intense in conviction if they are not to fall apart at the seams.

Even in a Davis performance, *Lélio or le retour à la vie*, the cantata planned as a sequel to the Fantastic Symphony, remains the most problematic of Berlioz creations. It is here presented without its narrative verbal effusions, which spares the listener some embarrassment while tending to underline the wildly uneven quality of the musical numbers. *Tristia*, the companion collection, is like *Lélio* an assemblage of pieces extant prior to assemblage; by contrast, however, the music is all of wonderful beauty, and, in the case of the concluding *Hamlet* Funeral March with its wordless choral interjection, of a stern sombre magnificence.

The particular art of the Berlioz conductor lies above all in the ability to balance and reconcile the stringent demands of melodic line and instrumental sonority; it is demonstrated as it were *in absentia*, by the DG collection of solo-voice Berlioz. Two very fine Berlioz sopranos—Kiri te Kanawa, at her most unforcedly lyrical and glowing in *Les Nuits d'été*; Jessye Norman, grand, sumptuous, many-hued in the *Cleopatra* cantata—receive less than duly Berliozian orchestral support, and the overall impression suffers accordingly. Barenboim is, as ever in this composer's words, enthusiastic but imprecise—detail is blurred, sharply etched rhythms and pin-pointed applications of colour are rendered in soft focus.

Benjamin Britten's *Our Hunting Fathers* (1936), his first large-scale undertaking for solo voice and orchestra, waited a long while for its first recording; now, by chance, there are two. From the BBC Archives there has been extracted a 1961 broadcast performance (in mono) by Pears, Britten and the LSO—a partnership of unsurpassable wit, bite and dramatic vividness, small inaccuracies notwithstanding, in which the exhilarating disturbance of the early Britten-Auden collaboration comes up alarmingly fresh.

In far better sound, Söderström's new recording draws on the timbre of the high soprano for which the work was originally intended—and draws on, too, a reading of considerable flair in which even the soprano's tonal unevennesses are turned to advantage. Unfortunately, in the nature of things, it has to be accounted the second choice.

Laura Dean/Sadler's Wells

Clement Crisp

It has been a continuing tradition of American modern and post-modern dance to break with any predecessors, to seek new forms of technical expression. Laura Dean is of the generation of post-modernists and minimalists, who emerged in the 'sixties and whose quest led them into areas of non-dance as dance, whereby the whole apparatus of institutionalised technique and creativity was rejected. Dance had to be re-learned.

Over the period of a decade Miss Dean has evolved (and I gather is still evolving) a means of expression based upon turning, repetition of simple cells of activity, pattern subtly changing rather after the fashion of Steve Reich's musical experiments. The result is now on view at the Wells for this week. Tuesday night's opening programme contained three of her recent choreographies, to accompaniments she has also devised.

Inner Circle, which began this short evening (about an hour's dancing), showed Miss Dean's procedure at its most interesting, though it could be argued that freshness was its chief merit. Three men and three women are involved. Patterns of activity are established, repeated, slightly shifted, then replaced by other sequences: the eye is intrigued by the switches of emphasis, the varieties of momentum and accent, even if the ear is numbed by the deadly monotony of the drumming (Miss Dean is "into" drumming) and the infantile chords that drone from a synthesizer.

Repetition is a hallowed activity in the dance theatre—the 32 fouettés, the cascades of bayadères with their unending arabesques—but here the law of diminishing returns becomes swiftly the rule. And when the cast starts spinning and turning the dance seems to turn in on itself, and we are faced with the actual as well as the spiritual equivalent of the dervish's self-centred behaviour.

The short *Enochian* which followed is set for two dancers: Ching Gonzalez who we first see in eastern-influenced gesture, the phrases stated and reworked, succeeded by Miss Dean herself, whose flickering, isometric arm movements and quick steppings are what admirers of E. F. Benson's Lucia might recognise as her "ideal system of calisthenics for those no longer young." The accompaniment here sounds like a record of a gamelan concert with the needle stuck in a groove.

The closing *Sky Light* was the mixture as before: drumming, sometimes syncopated, more often regular, with the cast establishing dance ideas, then treading over the same ground again and again. I find that the fascination in looking at dance which has an air of being trapped in its own mechanics is of very brief span.

Tom Krause/Wigmore Hall

Rodney Milnes

The Wigmore Hall's rewarding series of song recitals built around Sibelius to commemorate the 25th anniversary of his death—Tom Krause on Tuesday gave the fourth and last—has demonstrated to those who did not already know (I plead guilty) the bewildering variety of the composer's output in this field alone. Subject matter ranges from love lyrics to craggy Nordic incantations to nature idylls, and the music, which despite such influences as Wolf and Strauss remains unmistakably Sibelius, serves with equal variety, from strophic ballad to straight recitative, controlling, illustrating, always in accompaniments of great density. The contribution of the pianist Irwin Gage was of sterling worth throughout the evening.

In his introduction to the series, Erik Tawaststjerna mentioned Sibelius's insistence that musical values be paramount in the interpretation of his songs. The composer would have been delighted with Mr Krause. His greatest assets, as in his operatic work, remain his marvellous sense of legato (notable straightaway in the gloriously lyrical "At Night" that launched the evening) and his command of tone colour, especially valuable in the songs composed largely through dramatic recitative; the intense delivery and granite lower register used in "On a Verandah by the Sea" and "Under the Fir Trees" were in marked contrast to the gently lyrical touch elsewhere. He is a baritone prepared to take such risks as the lightest of tone in half voice, risks that paid off handsomely.

Krause's control of mood was equally sure, rapturous in the nature songs, puckishly humorous in the unexpectedly skittish "Romeo," sweetly nostalgic in "Spring is Fleeting" and the encore "Illalle," the only example of Sibelius's few Finnish as opposed to Swedish settings. Most impressive were the ballad "Duke Magnus" and the grimly expressionistic "Theodora," in which voice and piano seem to be proceeding independently.

The singer's variety of delivery was less to the fore in the two French groups — Ravel's Don Quichotte songs and the obvious Duparc favourites — that separated the Sibelius. Here Mr Krause tended to sacrifice pungency of projection to suaveness of line, lovely in its way, but not quite what is wanted, though the agility in Ravel's "Chanson à Boire" bore witness to his enviable technique. Mr Gage's sensuously shaped accompaniments, though, bore the brunt, and the actual singing was always intensely musical. That was pleasure enough to be going on with.

Biswas, Choudhury/Elizabeth Hall

Andrew Clements

"Musical Encounter: European and Indian Classical Music" was the title of Tuesday's Elizabeth Hall concert, given in aid of the Ethiopian Famine Relief Fund by the cellist Anup Kumar Biswas and the sitar player Deepak Choudhury. It brought back memories of those Indo-European syntheses of the early 1970s, when Yehudi Menuhin and Ravi Shankar collaborated on record and in the concert hall.

Mr Biswas's South Bank debut was reviewed here last year by Dominic Gill. He is a musical player, sometimes, it seems, badly afflicted with nerves; his accounts of Beethoven's "Bei Mannern" variations and Fauré's *Elégie* at the beginning of last night's programme were marred by faulty intonation and husky, underprojected tone, but as the evening went on his playing grew more confident and assertive.

Mr Choudhury is a disciple of Shankar, and accompanies him on European tours; but as he demonstrated in a set of three ragas with the tabla player Markandey Mishra, he is a formidable artist in his right, with great virtuoso panache and rhythmic vigour. Cello and sitar combined only at the end of the concert in *Raga Mishra Kafi*, a pleasantly worked out improvisation with the two instruments neatly dovetailed in imitation.

Here the cello was playing in an entirely India idiom, but in Imrat Khan's *Raga Jogkouns* for cello and table, the composition eschewed improvisation for music completely notated. The very act of fixing the performance seemed to bring with it a Western veneer, but Mr Biswas, partnered by his brother Aloke Biswas, showed it to be a most attractive hybrid with the shape of the raga clearly evident.

Naresh Sohal's *Undulations* for cello and piano was a less than successful experiment. Though this was its British premiere, the piece dates from 1976, when Sohal was working with scales using quarter tones. The quarter tones here are naturally confined to the cello, but the antagonism with the piano's unescapable chromatic harmonies is never satisfactorily reconciled nor fruitfully opposed. Walton's sadly thin Passacaglia for solo cello completed the "Western" portion of the programme; it was easily outshone by the authentically Indian contribution, and in that also Mr Biswas showed a good deal more incisiveness.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

LONDON

The Tate Gallery: The Essential Cubism is a wonderfully particular and illuminating exposition by Douglas Cooper and Gary Tinterow, with the choicest examples at every turn, of Cubism in its definitive period from 1907 to 1920. Braque and Picasso dominate the show, and as prime movers and principal exponents, so they should. But their relation to their immediate associates and followers is made clear – Gris the most substantial of them at the time, Leger the most idiosyncratic and independent, Laurens and Lipchitz the sculptors, Delaunay, Marcoussis, Villon, Gleizes and Metzinger. Ends July 10.

WEST GERMANY

Cologne, Wallraf-Richartz-Museum, An der Rechtsschule: Irish art of three thousand years comprises virtually all Irish national treasures on loan from the Irish National Museum, Trinity College, Dublin, and Irish Academy of Sciences. Manuscripts, relics of Irish Saints and utensils from the workshop of Irish monasteries; silverware; and gold and silver jewellery. Ends June 2.

Mainz, Mittelrheinisches Landesmuseum, 49 Grosse Bleiche: In honour of the year's 500th anniversary of Martin Luther's birth, the museum is showing original drafts, documents, models and photographs recording the conception and realization of a number of public memorials to the great reformer in the 19th century. Closes at the end of May.

Bielefeld, Kulturhistorisches Museum, 61, Welle: Graphics, Coal drawings and sculptures by Otto Pankok, the German artist banned under the Nazi regime. Ends May 23.

Berlin, Staatliche Kunsthalle, 44–46 Budapester Strasse: Heinrich Vogeler retrospective containing paintings and drawings by the German artist (1872 to 1942) as well as furniture, china and silverware designed by him. Ends June 5.

Berlin, Bauhaus Archiv, 13–14 Klingelhöferstrasse: eighty oil paintings from between 1928 and 1982 by Georg Muche, the German Bauhaus teacher, now aged 88. Ends June 12.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: 200 oil paintings, water colours, collages and drawings from between 1949 and 1982 by Peter Blake, the British painter. Ends June 12.

Düsseldorf, Kunstpalast, 5 Ehrenhof: German 20th Century Art has works chiefly from the 1920s and 1930s on loan from the American Busch-Reisinger-Museum. Ends June 26.

PARIS

Claude Monet: Homage is paid to his Giverny period with 45 of his paintings, including the nympheas, at the Centre Culturel du Marais, 28 Rue des Francs-Bourgeois (277 3225). Closed Tue. Ends July 17th.

Edouard Manet: An exceptional retrospective marks the 100th anniversary of the artist's death including Olympia, the Bar at the Folies Bergeres, Nana and Dejeuner sur l'Herbe. Paintings, which at the time created such a scandal, are now seen as classics in the tradition of Franz Hals and Velasquez, whom Manet revered. Yet at the same time they are a homage to one of the first impressionists and a pioneer of modern art. Grand Palais, April 16 – August 1, closed Tue. Late night Wed till 10pm (261 5410).

ITALY

Venice, Museo Correr: Eighteenth century engraving. Ends June 5.

NEW YORK

Winston Churchill (National Academy of Design): Painting as a pastime includes 60 works borrowed from Chartwell and Churchill family members as part of the Britain Salutes New York Festival. Ends July 3. (89th & 5th Av.).

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America in nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the Britain Salutes New York celebration. Ends Sept. 25th.

Whitney Museum: Films and videotapes by 30 artists highlight the 62nd Biennnial for American artists, including Frank Stella and Jasper Johns among the 76 artists represented by 124 works. Ends May 22.

CHICAGO

Museum of Contemporary Art: To complement the museum's self-appointed task of documenting American unschooled naif painters comes an exhibit of 47 unschooled German painters of the 20th century, among them Adalbert Trillhaase, the Bible-painting clerk who inspired Düsseldorf realists early this century. Ends May 22.

BRUSSELS

Palais des Beaux Arts: Venetian drawing of the 18th century. Tiepolo, Piazetta, Piranesi, Guardi, Canaletto.

Societe Generale de Banque: 100 years of glass in Europe. Ends May 20.

Kredietbank: Young artists of Flanders.

Musee du Costume et de la Dentelle: From Worth to Chanel.

Theatre National (from 6pm to 11pm): British posters 1890–1980.

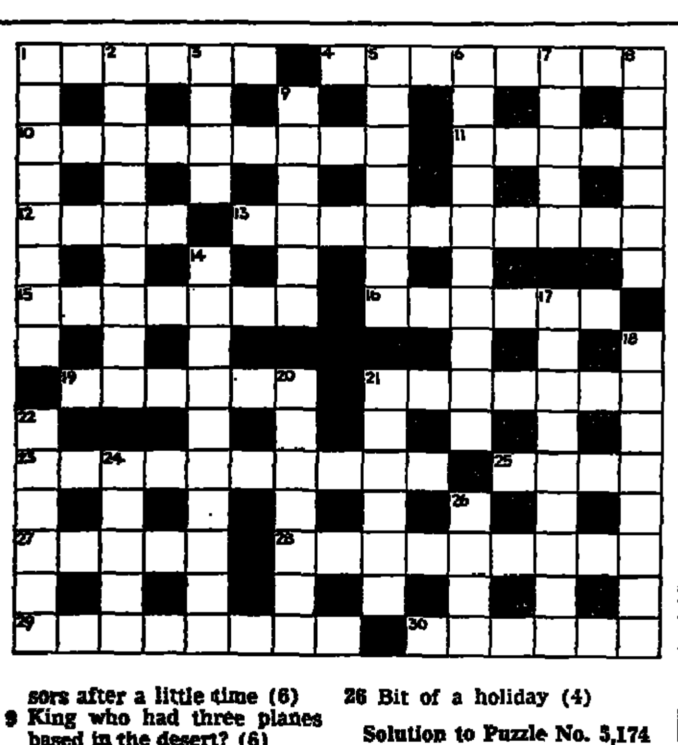
VIENNA

Künstlerhaus: The Turks before the City of Vienna. A historical exhibition which seeks to show the situation in Europe in the second half of the 17th century which led to the siege and the battle during the summer of 1683.

Heeresgeschichtliches Museum: The Turkish Wars.

Museum Des 20. Jahrhunderts: The Turks Before Vienna. An exhibition not so much concentrated on the war and military aspects of the siege of Vienna as pictures depicting the political and cultural perspectives, development of conflicting cultures, different religions and prejudices against foreign influences.

F.T. CROSSWORD PUZZLE No. 5,175



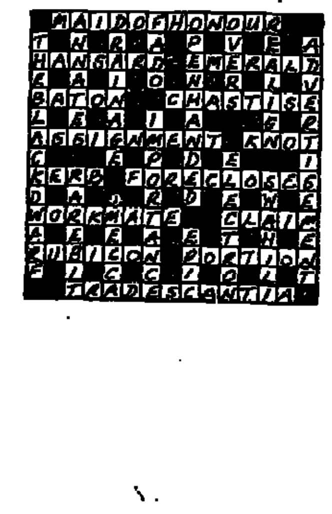
ACROSS

1 Index that may be crossed? (6)
4 Receptacle for bits of tar (3-5)
10 Frenzied rustic hop reveals mating ritual (9)
11 Start of MacDowell's "To a Wild Rose" sounds dotty (5)
12 Convenience to many in the cotton trade (4)
13 Bed for Bill after tea-time (4-6)
15 Divine bird-feeder in scarf, knitted (7)
16 Not the first person to turn out at dawn (6)
19 Makes pot and delivers illegally at Old Trafford (6)
21 Married in the Strand? (7)
23 What is thrown in crazy studio-caper, love being lost? (7-3)
25 Icelandic car seen twice—it runs through Oxford (4)
27 Boadicea's chariot race? (5)
28 Hour set aside in Scotland for licht menu, perhaps (5-4)
29 The left, almost a team? (8)
30 Guy at home—what must he do? (4, 2)

DOWN

1 "Cosmetic Surgery" by features editor? (4-4)
2 One has nervous trouble—worst upon earth? (9)
3 Former prime minister beheaded—it was easy once (4)
5 Post Rex an order for goods to be sent out (7)
6 You could catch it in Clapham! (6, 4)
7 Excitedly greet bird (5)
8 Belonging to them, successors after a little time (6)
9 King who had three planes based in the desert? (6)
14 Tumbling in boat-rac (sic)—that must be wrong! (10)
17 Dam of invention? (9)
18 Essay don corrected—all about Homer? (8)
20 Like cavalry-horses Dad's led out (7)
21 Young members of family, natives surrounding Channel Islands (6)
22 First part of play staged—roll cameras! (6)
24 Etruscan city in sea-breach (5)
26 Bit of a holiday (4)

Solution to Puzzle No. 5,174



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Thursday May 19 1983

A mandate to sit tight

WHEN THE Government decided so hastily to go to the country, we were afraid that this might not allow time for adequately-considered proposals for the next Parliament, and saddle Ministers with a set of half-baked ideas. It turns out that we were both right and wrong. There has not been time to develop a new programme; but the Conservatives have avoided the danger of half-baked ideas by publishing a manifesto that contains hardly any new ideas at all.

The metropolitan councils are to be abolished, and will be little mourned; strike ballots are to be enforced as a condition of trade union immunity, as was suggested in Mer Tebbit's Green Paper, but the means are still unclear. There will be an effort to privatise airports, and the party is still "considering" pensions transferability. And more prisons will be built.

The lack of specific new proposals is not in itself a criticism; the legislative process is not a vacuum which must be filled by busybodies. However, it is legitimate to ask whether the right-wing radical counter-revolution has already run its course, and whether at a time of deplorably high unemployment and some international turmoil, it is enough for a government to run on its record.

Results

The record is set out at length in the mainfesto and may well prove impressive enough to win Mrs Thatcher the election, with active help from an extreme and unrealistic Labour programme. The Government's single-minded pursuit of what it sees as financial rectitude does seem to have brought people to face market realities, though it remains to be seen whether the new mood will survive a genuine upturn. The reduced burden of tax and regulation really has stimulated enterprise, so that, under the depressing totals, the British economy is beginning to transform itself structurally.

In the public sector, too, a combination of stringency increasingly clear direction, and exposure to competition has produced valuable results. Nationalised industries have become sharper in their management and more responsive to their customers. Privatisation has proved a success. This general thrust of policy is infinitely preferable to the alternatives offered in the Labour programme.

However, these achievements could have won the Government two great opportunities; and it is these which, to judge by the manifesto, are in danger of being wasted. The first is to use the stability and confidence which have been achieved —and the notable financial innovations which are not even mentioned — to adopt a less negative approach to economic strategy. The second is to push on a little further with some of the ideas of the radical Right which provide the intellectual energy of this Government.

Judgment

On economic management, it may be fair to suspend judgment. The manifesto appears insensitive on the subject of unemployment, which is seen as the country's dominant problem by four-fifths of voters—and especially by the young and their parents. The Government could do more, especially in public sector capital formation, to put unemployed people and resources to valuable work.

However, this is a difficult subject for any government in office to discuss at election time —it is a natural opposition topic; and his Government in particular seems to have decided to do any good it does by stealth, as in the last Budget, relying perhaps on the rhetoric of austerity to keep up the psychological momentum. If money can be spent quietly, and funding achieved undramatically in the now-diversified official debt market, why bother the public with technicalities? Equally, no mandate is needed to alter the technical definitions of monetary targets. Mrs Thatcher is not as tough or as consistent as she chooses to appear.

However, the lack of any forward thrust on such topics as tax reform, education loans or the economics of housing cannot easily be remedied; radical ideas do require a mandate. The vexed question of local taxation is seemingly to be left to more central government interference.

The forward-looking part of this manifesto, then, is not attractive; and the whole may condemn Ministers to fighting a quite unnecessarily defensive campaign. They may still be able to fill some of the gaps in the remaining weeks. We hope so; for those who proclaim the resolute approach cannot look their best when simply sitting tight.

New ideas for Nato's defence

OVER THE last few months senior Nato officials have warned the countries of the Western Alliance that they are alarmingly dependent on nuclear weapons for their defence Should war come in Europe, say men like Gen Bernard Rogers, Nato's commander in Europe, Nato will have to use nuclear weapons quickly to stop a conventional attack or face defeat.

The only way out of this dangerous situation, Gen Rogers believes, is for Nato to improve its conventional forces and spend more on new high technology weapons which can accomplish the same tasks as nuclear weapons, but less destructively.

This thesis, argued by Gen Rogers and other influential Americans like Senator Sam Nunn for more than a year, is now beginning to be discussed within Nato. The Defence Ministers will tackle it when they meet in Brussels at the end of this month.

And this week, the new ideas received their first non-governmental European endorsement, in the shape of a report from a group of military and foreign affairs experts. The 26 member-group includes Britain's Lord Carver, former Chief of Defence Staff and Oxford Professor Michael Howard, Germany's General Franz-Joseph Schulse, a former commander of Nato forces in central Europe — as well as U.S. General Andrew Goodpaster, who formerly held Gen Rogers' post, and Mr McGeorge Bundy, the former special Presidential assistant on national security.

Danger

In a world as troubled as is today's by nuclear arms there is inevitably a danger that people will grasp at what seems to be simple—if relatively costly—solutions to Nato's dilemmas. The proposed programmes to improve conventional forces raise fundamental questions—about Nato's strategy, the nature of the Western Alliance and the threat tha it faces—which are far from simple.

For example, the new plans are put forward to correct the imbalance between east and west in conventional forces, thus making it possible to raise the threshold at which nuclear weapons would have to be used in war. Yet none of the supporters of the plans envisage getting rid of any categories of nuclear weapons as a result. And some people, including many in West Germany where such a war would be fought first, oppose raising the nuclear threshold too far on the grounds that war, which is now unthinkable, might then become more likely.

Suspicious

Many West Germans are also afraid that new high technology weapons could involve new tactics by Nato, which in turn could mean—though Gen Rogers insists that it would not—abandoning the strict Nato strategy of the forward defence of West Germany. Some European governments are suspicious that the U.S. is pushing the new conventional programmes for its own ends. The U.S. for example would produce more of the new weapons than Europe. More importantly perhaps, men like Senator Nunn link the programmes with demands that Europe spend more on its own defence. Some Europeans see this as the beginning of a real weakening in U.S. guarantees of the security of Europe.

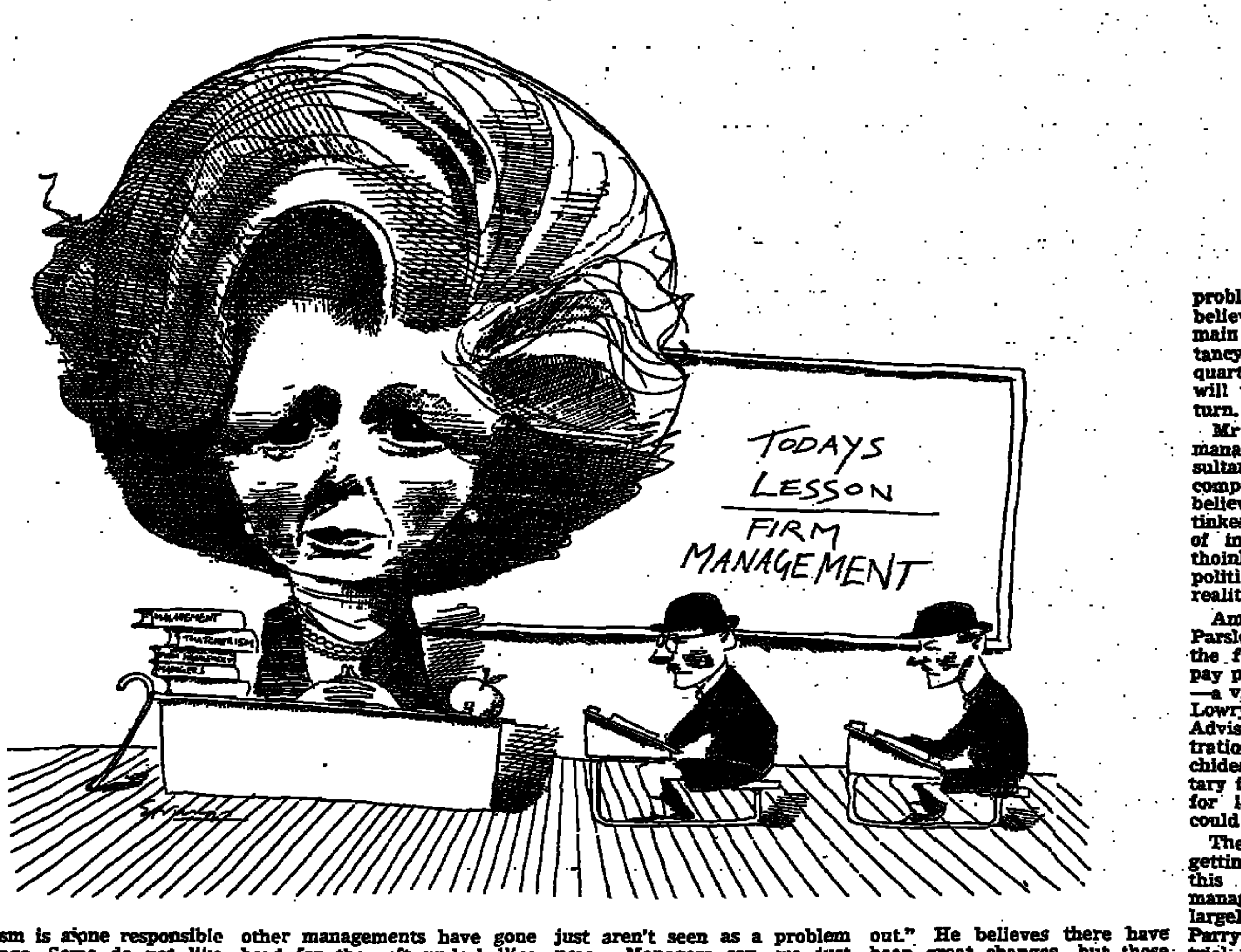
Nuclear weapons and the dilemmas they pose will not go away, nor in all probability will popular pressure against them. Improving Nato's conventional forces may help, but cannot provide the complete answer to Europe's nuclear fears. These fears arise mainly from the rifts within the alliance between Europe and the U.S., spelt out in yesterday's gloomy report from the International Institute of Strategic Studies.

As the report emphasises, much depends on the willingness of the Reagan Administration to make a genuine effort to reduce differences in attitude towards the Soviet threat. Additional expenditure on conventional forces has to be seen as part of a larger Nato strategy to which the Alliance as a whole is committed.

BRITISH MANAGERS AND THE ELECTION

Mrs Thatcher opens a window

By John Lloyd, Labour Editor



JUNE 9 BRITAIN'S ELECTION

BRITAIN'S managers do not, it appears, love Mrs Thatcher so much for her policies, or her legislation. They love her most of all because she's she.

"I have never known," Mr Patrick Jenkin, the Industry Secretary, told listeners to BBC radio yesterday morning, "such strong support from industry for the Government." Or, to put it another, Denis Healey, way, "The CBI is now the Government's poodle!"

Why? Why does the Government command such respect from businessmen who have had to live with the consequences of savage deflation, exacerbating the effects of an already painful world recession?

The Thatcher phenomenon is part of the answer; important, but only a part. The "management response" to a changed industrial relations climate is a complex one, in which two major elements co-exist uneasily. First, a very broad appreciation that the Government's insistence on rubbing industry's nose in the harsh reality is necessary; and second, that some at least of the policies and employment legislation may be irrelevant or even harmful. This is coupled with a view that some managements — BL's Cowley plant, fairly or not, is taken as a symbol here — have over - egged the Thatcher pudding.

It is the first of these which stands out, however. "I wrote to the Prime Minister a year or so ago," says Mr Robert Maxwell, chairman of the British Printing and Communications Corporation and erstwhile Labour parliamentary candidate," and told her that although I did not vote for her I accept that her financial realism has been helpful to me."

Maxwell's restructuring of a ramshackle printing empire to bring it back to profitability has been achieved at the cost of 20 per cent (more than 2,000) of the jobs and *with* union co-

Unemployment seen as Gen Thatcher's sergeant major

operation. "You couldn't get the realism without a shakeout, I must concede that."

Sir Hector Laing, chairman of United Biscuits, whose advice is often heeded by the Prime Minister, is uninhibited: "The Prime Minister is admired for her vision and what people see as her common sense approach to pay and productivity." But the fan club also includes a determined centrist like Mr John Garnett, director of the hands-across-the-divide Industrial Society: "The Prime Minister is enormously important because of her ability to communicate simply the facts of the matter and the need to see the problems clearly."

Few managers, however, are as starry eyed as to believe that the Prime Minister's magnetism is alone responsible for change. Some do not like to say so squarely, but all concede that unemployment is General Thatcher's serjeant major.

John Lealand is plant manager of Cannon Rubber, a medium sized rubber goods company with the biggest of its two plants in Tottenham, in North London. He returned to the company last September after a five-year break abroad and found — "a surprising change of attitude. People on the shop floor are prepared to accept a lot more, knuckle down to work more. I'm not saying they're placid, but they go along with change. Before they said, 'We're not doing it' or 'We want a lot more money for doing it.'"

Cannon, producing mainly for the car industry, was hard hit by the slump and ground away at efficiency. "And the reason we're managing is because the people don't have anywhere else to go. They can't go up the road and get another job." A pessimist in his view of human nature, Mr Lealand says: "Everybody takes as much as they can get at the time. They used to get a lot — but they can't get much now."

Mr Lealand stresses his company's philosophy of spreading the news (good and bad) and getting co-operation through information. It is, he believes, the reason why Cannon has been able to remain non-unionised (it's also careful to pay over the union rates). But other managements have gone hard for the soft underbellies of trade unionism, memories of past humiliations undimmed in their minds.

For union leaders, the boot looms large in their daily experience. Mr Roy Grantham, general secretary of the white collar union Apex has seen his membership cut by 25 per cent (it's heavily in engineering) and realises the problems for managers — "they've been forced to cut costs and that's meant jobs — obviously they're faced with a diffrent environment from that they've been used to. We've seon a growth of those who kick people when they're down," he goes on. "But the great problem with Thatcherism is you can't keep running an economy down: there's got to be an upturn and unions and workers remember and will want to kick back."

A useful barometer of management's apparent lack of interest in the participatory approach comes from Brunel University, a pioneer in management courses in industrial relations. Mr Ken Knight, director of the management programme, notes that after the Conservative victory in 1979, registrations for courses in employee participation and new technology agreements fell away sharply: this year, the demand for courses in negotiating skills was so low that he stopped running them—the end of a ten-year run. "Things like new technology agreements, participatory structures, just aren't seen as a problem now. Managers say—we just do it."

To avoid the kick backs, the "enlightened" wing of management (that is, every manager you speak to) is busy putting in place structures which will last beyond the fall. Mr Garnett spends much his time telling such companies as diverse as Talbot, British Rail and Pedigree Petfoods how to give back power to managers and foremen, build "self-starting" teams, spread information and give people their *proper* say—by which he means, let the steward represent the members to management and let the foreman represent management to the workers. "Biggest mistake since the war was to attempt to communicate to the workers through shop stewards. Totally unfair on shop stewards."

However, to be an optimist about these structures (which are only, after all, different ways of talking to people and different bits of paper) you must also believe that Things Have Changed. As much as anything, the Government gets management marks for making the world economy *transparent:* that is, allowing the bad news to flow in to every boardroom and work station. But enough?

Mr Bob Ramsey was head of industrial relations at Ford UK, is now chairman of the Institute of Personnel Management, and is writing a book about collectivism — "which I don't believe, as the Government sometimes seems to, is dying out." He believes there have been great changes—but these have only gone 25 per cent of the necessary way.

"Industrial relations have been affected profoundly because we have gone through a watershed. We have left behind the post-war's seller's market and have come into a buyers' market with a vengeance. The impact *has* got through to workpeople—they're shrewd and can work things out for themselves. But I don't think there's been a sea change in attitudes.

"What's missing is a full sense of how much out of line we are from our competitors in the Pacific basin and in Europe and how much remains to be done. Many management's don't yet understand the immensity of the task they still face."

Even those who take heart from the signs of an upturn are often highly sceptical about the efficacy of the employment legislation passed in their term of office, and that promised in ysterday's manifesto. "It's dreadful," says Mr Garnett, adding that he likes clause one of the 1982 Employment Act—the clause, added to the Act by Liberal pressure in the Lords, which enjoins managements to consult their workers.

A fascinating survey of managers and trade union leaders published earlier this week by EPIC management consultants shows, however, that over 70 per cent of those managers polled didn't believe any party offered realistic solutions to IR problems, over two-thirds believed unemployment was the main factor holding wage militancy in check and three-quarters believe their resolve will weaken in face of an upturn.

Mr Eric Parsloe, EPIC's managing director and a consultant to a number of large companies, says many managers believe that "Government is tinkering around on the fringes of industrial relations. They thoink they should stop playing politicis and get down to the realities."

Among these realities, Mr Parsloe puts high on the list the formulation of a coherent pay policy for the public sector —a view he shares with Mr Pat Lowry, chairman of the Advisory Conciliation and Arbitration Services. Mr Maxwell chides the Employment Secretary for "too much enthusiasm for legislative changes which could prove self defeating".

The Government, then, is getting a complex message. On this however almost all managers agree: In the end it's largely down to them. Mr Parry Rogers, Plessey's industrial relations chief and chairman of the loyalist Institute of Directors' industrial relations committee, yields to few in his admiration of Mrs Thatcher but says "I don't think we should overestimate the role of Government in the comptetive sector. Management has to take the lead in bringing in new technologies for example. Government has reduced the interference in management's time through such things as pay

Management resolve may weaken with an upturn

policies, and that's been welcome."

Mr Garnett quotes Sir John Boyd, former general secretary of the engineering union and member of the Industrial Society council: "Johnny said that he could never recall a time when conditions were more ripe for revolution, but he could also never recall a time when conditions were more ripe for revolution, but he could also never recall a time when we were further from it. And that's right. People do undestand—and this is almost single-handed what Mrs Thatcher has done—that there is an opportunity window now. We can do things we couldn't five years ago. But if we don't, then the window will close."

Men & Matters

Legal risks

Solicitors' mistakes, unlike doctors' errors, come in expensive packages. The Law Society's professional indemnity scheme has just reported that eight claims for more than £1m each are in the pipeline.

The society's insurance cover is to go up in the Autumn by 15 per cent to £1,565 a year for solicitors in inner London, and £1,204 for those in other parts of the country.

In contrast the highsst award against a doctor in membership of the Medical Defence Union last year was £175,000 for failure to make a proper diagnosis. And even in the High Court the record judgment so far is only £414,000 for a woman paralysed after wrong hospital treatment while giving birth to a baby.

Solicitors are at risk of getting involved in high-level commercial cases where millions of pounds are at stake. An error can have tremendous repercussions in ultimate cost to their clients. It is rare, however, for such cases to reach court and few details of their faults ever reach the public.

It is now costing solicitors nearly £30m a year to insure 22,500 members in their "master policy" scheme. It is likely that settlements every year are coming close to £25m, judging by underwriters' experience. Indeed, for four of the last six settlement years the underwriters have been in the red on the solicitors' indemnity trade.

Behind a hedge

During this ever-so-wet British Spring what are the farmers doing while the ground is too soggy for them to work in the fields sowing a new potato crop?

Why, they are snugged down by their firesides watching television electronic news services and playing the potato futures market.

Prestel CitiService, which provides television pages of commodities information, has seen the demand for its potato futures page rise fourfold in the last month, and estimates that thousands of farmers are now watching it.

Judging by the figures, the farmers can't seem to see enough of this riveting stuff—even at 10p a peep.

Christopher Sharples, chairman of ICV Information Systems, which provides the commodities information, says the farmers are trying to turn their frustrations with the weather to profit. They are trading in potatoes futures on the London commodities market and attempting to hedge against uncertain crops later in the year.

Potato futures prices in London have risen from £90 a tonne to £150 a tonne for delivery April 1984, during the last ten days. Sharples expects prices to continue soaring until the wet spell ends and the farmers switch off.

Union business

David Basnett's pet project, the workers' banking institution, which a group of unions is planning to set up jointly with the Co-operative Bank, has come under fire. The unlikely attacker is a trade union—the Banking Insurance, and Finance Union (BIFU).

BIFU, which represents the Co-op Bank's staff, has suggested that the Co-op cancels its £1.25m share of the investment. That is just one in a list of 23 cost-saving proposals from BIFU aimed at removing the threat of compulsory redundancies at the Co-op Bank.

Eric Hutchinson, BIFU organiser, says: "The trade union movement has got one bank already—the Co-op. Why does it need another?"

In ordinary times he might have been expected to support the Basnett big bank scheme. But these are not ordinary times as far as relations between BIFU and the Co-op Bank are concerned.

However, Basnett need lose no sleep. The Co-op is unlikely to go along with BIFU's suggestions. It argues that its problem of low profitability (earnings down nearly 60 per cent last year) is a revenue matter and not connected with capital investment.

BIFU is determined not to let sentiment about the Co-op's links with the Labour Movement get in the way of its first business of defending its members. It may take industrial action (agreed by a four-to-one majority) if the Co-op, which wants to cut 250 from its 3,200 staff, goes ahead with compulsory redundancies.

Honesty cover

Help is at hand for those Americans who live in fear of an Internal Revenue Service (IRS) audit swoop.

A Washington-based insurance company called Victor O Schinnerer has come up with an insurance policy which pays up to $100,000 to cover additional taxes demanded by the IRS following a tax return audit. Premiums will average $600.

The only catch—the taxpayer has to have been honest and reasonable.

A policy stipulation is that the tax return must be prepared by a professional tax adviser, and policies do not cover "fraud, mathematical error, or claims made without economic substance."

That seems to rule out many potential claims. But Schinnerer points out that its new product is designed to meet what it calls the "taxpayers' dilemma."

That ugly situation rears its head if a taxpayer tries in all good faith, while complying with IRS rules, to keep personal income tax as low as possible.

But the IRS differs sometimes in its interpretation of laws and regulations. And that can mean demands for additional taxes. The alternative is not to claim deductions because of fear of an IRS audit. Either way the taxman wins.

Export team

When I inquired as to the activities of the London Export Corporation I was told they are "very big in feathers . . . also in casings for sausages."

Those esoteric activities are far from the end of the story, however. LEC has built up a turnover of some £60m a year over the last 30 years by specialising in trade with China. Commodities, machinery, and consumer durables are included in the group's import-export range.

But exporting a British football team to China, albeit temporarily, is trade on another scale altogether. Which is why LEC has pulled in such sponsors as chemical company Albright and Wilson, Comexport, Celanese Corporation, Dawson the textile firm, and Pergamon Press, to help send Watford Football Club on a Chinese tour.

Watford leaves at the end of the month for a two-week visit with matches planned in Peking and Shanghai. The club's chairman Elton John, the pop singer, is going with the players as well —although an injection of Western pop culture into China does not seem to have any part in what is essentially a sporting fixture.

LEC's joint managing director Graham Perry, who will accompany the team as honourable linesman sees the tour as, "very much a public relations exercise." He says: "You can't play golf with a Chinese but you can take him to a football match."

Observer

KENYAN POLITICS

Moi throws down the gauntlet

By Michael Holman in Nairobi

ONE OF the most extraordinary weeks in the 19 years since Kenya's independence has culminated in President Daniel Arap Moi's decision to go to the polls in September, a year earlier than expected. His aim is to win a fresh, personal mandate to enable him to confront ministers and civil servants who he claims are disloyal or corrupt.

Western governments and businessmen—for who in the past the country has been an African model of pragmatic, broadly capitalist policies — will be watching with concern.

The abortive coup of August 1 last year (150 people were killed and looters caused $200m worth of damage) raised doubts, yet to be set at rest, about the long-term stability of the West's closest ally in black Africa and the regional base for multinational investors.

These doubts have been reinforced by Kenya's economic difficulties. The country's economic system has not proved broadly based or strong enough to escape the impact of the international recession which has left Kenya almost as vulnerable as its socialist neighbour, Tanzania, to the consequences of falling agricultural export prices and the rising costs of fuel.

Western diplomats and businessmen had hoped that, unlike Tanzania, a greater willingness to adopt International Monetary Fund programmes coupled with continued encouragement of the private sector might help an early recovery.

Yet in the months since the coup attempt Kenyan politics have been marked by near constant bickering amongst ministers and officials distracted by personal rivalries.

It reached a climax last week. "Plot to instal new President," proclaimed the banner headline over the story on the front page of a Kenyan newspaper.

Set out below was President Daniel Arap Moi's allegation that unnamed foreign powers were grooming "a certain person" to take over from him.

It set off an enthusiastic witch hunt for the alleged traitor, variously called a hyena and a snake, who warranted grisly punishment: burning alive or being rolled downhill in a beehive were two suggestions from irate MPs.

—Emotions had reached a near hysterical pitch when on Tuesday Mr Moi announced his decision to go to the polls.

Key political figures: President Arap Moi (centre), Mr Charles Njonjo (left) and Vice-President Mwai Kibaki (right).

In retrospect it may be that his plot allegation of May 8 was the opening shot in his election campaign. If so, it might have been better timed. It coincided with the arrival in Nairobi of scores of international bankers for the annual meeting of the African Development Bank.

"The allegation," observed one diplomat, "was an unfortunate own goal." It inevitably sowed doubts about stability, exacerbated the political tensions and raised questions about the judgment of a leader who has yet to stamp his mark on the body politic in the same way as the man he succeeded in 1978, the late Jomo Kenyatta.

Perhaps the most puzzling element was Mr Moi's hint—based apparently on resentment at the activities of vocal anti-*government dissidents in self* exile in London—that Britain may have been the power behind the plotter, whom he *never* named.

The supposed British link was reinforced by a sustained campaign in which politicians and party *officials* crudely hinted that the "traitor" was Mr Charles Njonjo, the Minister for Constitutional Affairs. He has close but entirely proper ties with Britain and happened to be in London on a private visit when Mr Moi made his speech.

Mr *Njonjo, who would regard* his radical countrymen with the same distates Michael Heseltine has for the Campaign for *Nuclear Disarmament, cate*gorically denied involvement in any plot.

In any event, in the run-up to the election, Mr Moi also has two audiences to address: He must reassure Western allies about the reliability of his administration and at the same time try to assert his authority in domestic politics.

Politically, the strains facing Kenya stem partly from personal rivalries within the ruling elite and from wider frictions rooted in tribalism. President Kenyatta, a member of the largest tribe, the Kikuyu (21 per cent of the population) ruled his cabinet with a rod of iron and managed to keep these strains in check.

But under President Moi, a *member of the small Kalenjin* group, who won power with the backing of powerful Kikuyu elements, these tensions have *emerged more into the open.*

On taking office, President Moi, apparently seeking to extend his power base, made an *initially successful* rapprochment with Kenya's third largest people, the Luo (13 per cent of the population) and their leader, ex-Vice-President Mr Oginga Odinga, who had fallen out of favour during the Kenyatta era.

The President's move was short lived, possibly because a Luo revival came to be seen as more of a threat than an assurance and because of evidence that Mr Odinga was still an ambitious man.

Mr Moi has looked elsewhere *for* support, trying to build a coalition in which the Kalenjin occupy an increasing number of key posts, along with Kambas (who dominate the Army), Luhya's and selected Luos and Kikuyus who are seen as loyal to the President.

The development has created growing concern among the Kikuyu, who still see themselves as Kenya's power brokers. But the Kikuyu themselves are divided—as shown by rivalry between two leading members *of the tribe, Mr Njonjo and* Mr Mwai Kibaki, Vice-President and Minister for Home Affairs.

The rivalry between the two —*both of whom gave strong* support to Mr Moi when he took over the Presidency — stem more from personality and ambition than ideology.

Mr Kibaki is an urbane former Finance Minister who is once again playing a part in economic policy-making. Mr Njonjo, who was Attorney-General under President Kenyatta, is strongly pro-Western—and is invariably attired in a three-piece suit decorated with a carnation buttonhole.

The two are expected to fight for the post of vice-president—the incumbent is in effect President Moi's heir apparent—when elections for the post are held by the country's sole political party, the Kenya African National Union (Kanu).

Just when the elections for party officer will be held is another matter. They last took place in 1978 and should have been held every two years. One reason they have not gone to the heart of Kenyan politics: *so intense* is the lobbying for various offices that President Moi cannot be certain that the new slate will adequately *reflect* his personal preferences. The Kanu party elections may not now be held until after the parliamentary poll. This means that Mr Njonjo, who unlike Mr Kibaki will have a hard battle to retain his seat, could be without a base from which to wage his vice presidential campaign.

This may be part of Mr Moi's strategy. He may also hope that the usual high turnover of MPs in Kenyan elections (around half have lost their seats in past polls) will mean that ministers whose loyalty he suspects or who have shown themselves corrupt, will have been removed in a relatively painless fashion.

His *task* over the coming months will not be made easier by the austerity measures adopted to comply with the terms of the SDR 175.95m ($175m) 18-month International Monetary Fund (IMF) programme.

The support is necessary because of large balance-of-payments deficits over the past five years, caused by falling ex*port crop receipts and higher* prices for imported oil. The IMF has imposed conditions with which governments *throughout Africa have become* all too familiar: strict limits on government spending and domestic borrowing.

Tight control might encourage the IMF, but for the man in the street it means that daily life is that much harder, with mounting redundancies and falling standards of living. The per capita incomes of the country's 17m people have already declined for four successive years.

One danger for President Moi in calling the election as far off as September is that the tight controls the economy needs will slip as ministers devote their time to campaigning. And should further austerity measures be needed, there may be a reluctance in cabinet to implement them and risk electoral repercussions.

For *outsiders*, such as the bankers who visited Nairobi last week, the tendency will be to suspend judgment — and avoid new commitments—until Kenya has emerged from the poll and President Moi selects his new team.

International Debt

Why we need a long-term plan of action

By Karl Brunner

THE "debt bomb" is still ticking. Fears persist that the international debt crisis may explode the banking system and plunge the world into deep depression. These fears lay behind the improvisations designed to prevent the disarray which could be produced by widespread moratoria or massive defaults.

These improvisations were hardly avoidable at the time, but they now need to be disciplined by an explicit and careful attention to long-term requirements and consequences. Some of their strands are a useful and responsible approach to the problem, but improvisations have their own momentum and so far we can see no signs from *major groups* of policy makers suggesting a systematic plan which weighs the longer term consequences of alternative procedures. The urgency for careful attention by important policy agencies increases as the drift of improvisations persists.

Two dangers emerge from such a drift. The pervasive fear of a world-wide deflationary collapse tempt policymakers to "inflate the problem away" or to bail out both debtor nations and creditor banks. A larger expansion of the monetary base seems to provide a safety cushion for banks and also promises additional credits to debtors. The resulting greater inflation alleviates, moreover, the *real debt burden of debtors*.

Inflation and bail outs would certainly prevent, for the present, the dreaded "collapse of the system," without removing, however, the loss in wealth experienced by creditor nations. They would also create new difficulties, while shifting the present ones to the future. They produce incentives for debtors and creditors which worsen the problem over time and impair the efficiency of our financial system. Bailing out both debtors and creditor banks imposes, moreover, a distribution of the losses favouring those responsible for the inherited problems.

One may object that there is no alternative to inflation and bail outs in order to protect the world against deflation and massive depression. One may also find that the involvement of the IMF provides a badly needed safety net.

But we do have an alternative, and no IMF safety net is required to remove the danger of deflation. This alternative policy consists of two pillars. The first pillar addresses the insolvency problem. Two distinct actions instituted as part of the improvisations serve here a useful purpose. Restructuring and some further *credit expansion should* be systematically used for a continuous reassessment of the economic value of outstanding credit.

Additional credit extension is only justified in cases where a debtor's problems are essentially *assessed to be temporary*. (This rules out Poland, Romania and Yugoslavia.) Additional credit extension should be reduced as the prospects rise that a country's problems are permanent. Creditor banks would be, under these circumstances, induced to carry out a diligent evaluation of risks and a careful monitoring *of changing conditions*.

> **It is most urgent that policy-makers look beyond their improvisations**

The crucial aspect of the insolvency problem involves, however, the credits affected by comparatively permanent de facto or formal moratoria or defaults. Creditors will have to acknowledge a loss of wealth *under the* circumstances. Such losses are probably distributed over a wide range between zero per cent and 100 per cent of face value *with great variations* among creditors and debtors. No bank confronted with substantial losses need be closed. *It should continue as an operat*ing unit and put itself into a position to generate earnings in the future. A good portion *of these earnings should* be used to write off gradually, over time, the losses experienced.

This treatment of the insolvency problem poses no danger to the financial system in the absence of a run on the banks involved. Insolvency could still unleash dramatic liquidity problems for many banks.

In order to prevent this occurrence or to control it rapidly and effectively when it occurs, we rely on the second component — or pillar — of the safety net, the lender of *last resort*. Whenever a bank experiences massive and concentrated withdrawals of shortest-term deposits, the Central Bank is obliged to advance the required funds. This will prevent the feared deflationary collapse. Inflation, on the other hand, can also be avoided.

A run converting deposits into currency would not change the money stock with the action indicated. A run expressed by a redistribution of deposits among banks would require open market sales offsetting partly the advances made to the banks "under attack."

Finally, the advances could actually be replaced by direct or *indirect Central Bank* purchases of assets from troubled banks. These acquisitions may contain a representative portion of assets with lowered values. The Central Bank pays, under this particular procedure, the "full price" to the banks and sells the assets acquired, on the other hand, at whatever price the market will bear. It adjusts, moreover, its portfolio to maintain the balance between deflation and inflation with suitable open-market operations. The loss from the transaction forms a credit in the Central Bank's balance-sheet advanced to the banks involved. This credit should be repaid over time as required by the insolvency programme.

This specific example is not suggested as possibly the best *procedure*. *There are other* ways to integrate the two components of the safety net, satisfying the basic requirements of no deflation, no inflation and no bail out.

It is most urgent, however, that policymakers look beyond their improvisations. We need not fear a deflationary collapse, neither do we need to escape into inflation or impose a distribution of wealth losses in favour of those groups ultimately responsible for the problems.

Karl Brunner is Professor of Economics at the universities of Rochester, New York, and Berne, Switzerland.

Letters to the Editor

The chemical industry and the phoenix factor

From the Director General Chemical Industries Association

Sir,—While Carla Rapoport's piece (May 16) fairly faithfully reflects the contents of the yet-to-be-published "chemicals" Little Neddy assessment of the next decade the sub-editor's headlines fail to capture the optmistic elements that lay hidden in the ashes of this industry's last three disastrous years.

Admittedly the report tries to identify what may happen to the British chemical industry if we simply let present problems take charge of our destinies. But fortunately in an industry of innovation a large measure of control of our future lies in our own hands.

Few people now expect a return to the twice GDP annual growth that characterised our 1960s and 1970s: few believe that we can again rely on "the economies of scale" to accelerate ourselves out of a tight commercial corner.

But fewer in this industry are prepared to regard an analysis of the problems facing us as necessarily adding up to the deterministic inevitability of decline and decay.

Unlike traditional one-product group industries (steel, cars, ships, horsehoes, etc) our industry is fortunate in being based on the ultimate in manufacturing flexibility — the ability to use chemical reactions to change inexpensive and abundant raw materials into useful and valuable end products. And as one raw material becomes scarce it is possible, given time and research, to change the process to use one in more plentiful supply. As the market for one group of products matures and declines we can develop new molecules or admixtures for growing needs in new markets.

This characteristic of innovation and flexibility of chemical transformation was at the foundation of our industry's rise. Despite present problems and a difficult decade ahead it can, given skill, originality and determination, *be the* foundation of our industry's renaissance in the years ahead.

So please don't write us off yet — our *future performance* may surprise you.

Martin E. Trowbridge,
Alembic House,
93 Albert Embankment, SE1.

From the Secretary,
Chemical Unions Council,

Sir,—Until 1979 it was widely assumed that the UK chemical industries would be the catalyst for economic and industrial expansion. This was due partly to the advantages provided through North Sea gas and oil resources and the opportunity of developing in our downstream industries such as plastics. This has not happened.

Instead over 90,000 jobs have *disappeared; 35 per cent of our* petrochemical capacity has closed (compared with 15 per cent in the rest of Europe); UK-based *chemical firms* placed 53 per cent of their investment overseas due mainly to the lifting of exchange controls; the much-needed North Sea *gas* pipeline was sabotaged when the Government decided not to support it; the number of bankruptcies and company liquidations in the chemical sectors has reached record levels.

It is a gross fabrication of the facts for any Government spokesman to say that all this has happened "because of the world recession." The main reason for this relapse is directly attributable to the actions (or inaction) of the Government. Not only has the Thatcher experiment crippled large sections of our traditional manufacturing industries, but it has done immeasurable harm to what was regarded as our most innovative and progressive industry. If we are to ensure that the chemical industries have a thriving future, it is essential that we have a government which is not only capable of making responsible *decisions, but one that is* prepared to work with those who constitute the industry as a whole — both unions and com*panies*.

The experience of the past four years where industrial expansion and self-sufficiency has been sacrificed on the altar of an economic theory more relevant to the Middle Ages than to a modern technological *society*, indicates to many of us that unless Labour's industrial policy is adopted we shall make speedy progress towards becoming a warehouse and packing shed for the products of other countries.

David Warburton.
Thorne House, Ruxley Ridge,
Claygate, Esher, Surrey.

Encourage the black economy

From Mr P. Cox-Smith

Sir, — Do not be taken in by Party political promises of dramatic reductions in unemployment. The old parties, the capitalist right, Marxist left and after-dinner mint party of the centre, have all recommended "growth" as the creator of new jobs. But the Western world has sustained rapid growth for over a century and now has rising unemployment on a massive scale. Further growth will only aggravate the situation.

Stimulation of growth by investment in the private sector will result in new ventures based on the latest information technology techniques in both manufacturing and services. Competition will drive out of business the older firms not using the cheap technology; so the unemployment spiral will take another turn.

Expansion of public services is recommended by some, but ill-conceived plans and inappropriate priorities will doom them to failure. For example, the Alliance has promised to spend £500m on the health service to create 100,000 jobs in two years. That works out at £2,500 per person per year and must include extra costs such as heating, taxes and capital investment.

Our brothers and sisters out of work have every reason to despair at the prospect of more Thatcher Foot Steelism and indeed we all should despair. But from despair hope may spring. *Our hope lies in a unified tax*ation and social wage system, job sharing, community-based co-operative businesses and the *encouragement of what is now* regarded as the black economy but which should become the green economy.

Peter Cox-Smith.
50, Eaton Avenue, Bletchley,
Milton Keynes, Bucks.

Easy to guarantee peanuts

From Mr A. Macintosh

Sir,—All that a deferred pension "guarantees" is poverty; a sum of money which may be certain, but whose future buying power is completely uncertain, though it will quite certainly, represent a highly negative real rate of return on the contributions invested.

The same sum put into a normal pension policy promises no fixed return, true enough, but it does promise at least a fair chance that the return will be, in real terms, positive.

Your reporters (May 14) rightly say that financially sophisticated people would prefer this. But what evidence have they for thinking that others would not? Millions of pounds are invested every year in with-profits endowments or self-employed pension schemes, with no formal guarantee. In contrast, the old without-profits policy offers a "guarantee" — and is virtually unsaleable today.

*It is easy enough to "guaran*tee" peanuts. That is what most company pension schemes do, and that is why they do it.

A. M. Macintosh.
58, Prince of Wales Mansions,
SW11.

Smoke without a fire

From the Marketing Services Director,
Lesser Group of Companies.

Sir,—Mr G. C. Towler (May 13) states that Battersea power station has reached the end of its useful life. While this is true of "A" station, which has now been gutted, it is only true of the boilers in "B" station. That is why we propose to remove them and install new ones designed to burn domestic refuse. While this would cost some £40m it would enable up to 40 MW of base load cost electricity to continue to be produced.

To heat the now enlarged Pimlico scheme would consume only 5% to 10% of our calories. At the same time we should reduce London's waste disposal costs from this expensive central area by several million pounds a year.

While our boilers would be smokeless we should be pleased to add a little something for the benefit of those wishing to see *smoke* continuing to come from these well-known chimneys.

P. A. Kreamer.
The Causeway,
Teddington, Middlesex.

The polls can shift

From the Chairman,
Market and Opinion Research International

Sir,—Re: "The polls can shift (May 17). So they can, but in 1979, the first 15 polls of the election (research services aside) all said Tories 48 plus or minus 2 per cent, Labour 40 plus or minus 2 per cent, despite reported wide fluctuations in the gap between them. It would be better to report to your readers the share for each poll and focus your analysis on that rather than to focus on the gap between them.

Robert M. Worcester,
29 Queen Anne's Gate, SW1.

FINANCIAL TIMES

Thursday May 19 1983

IMPROVEMENT UNLIKELY TO BE MAINTAINED, CHIEF EXECUTIVE SAYS

Deutsche Bank lifts profits 19%

BY JOHN DAVIES IN FRANKFURT

DEUTSCHE BANK, West Germany's largest commercial bank, has reported a further strong increase in its operating profits in the first quarter of this year, but believes the trend will slow down soon.

Dr Wilhelm Christians, one of the two joint chief executives, said that operating profit, including earnings from the bank's own trading, was up 19 per cent compared with the average quarterly result of last year.

As German banking improved generally, Deutsche Bank last year boosted the parent bank's operating profits by 33 per cent and the group operating profits by 30 per cent.

The bank, however, has been warning against expectation of similar growth this year. Dr Christians told the shareholders' meeting in Hamburg yesterday that business in the last few weeks indicated that the operating profits for the whole year would not continue at the high level of the first quarter.

He said the first-quarter improvement was particularly helped by the bank's trading on its own account, but dealings in fixed-interest bonds had declined in recent weeks as interest rates flattened out.

Deutsche Bank's credit volume declined during the first three months of this year. Compared with the end of 1982, credit volume was DM 2.5bn lower at DM 67.4bn ($17.58bn).

Half of the decline was attributed to a falling off in short and medium-term credit to companies and half to a cut in lending to public authorities.

Although there was a slight pick-up in March, Dr. Christians said that a sustained recovery in credit business was dependent on a marked improvement in the general economic situation.

Dr Christians said that the debt problems of certain countries had given rise to the misleading view that international banking business in general was risky. Without making light of the problem, it had to be put in perspective, he said. Nearly 70 per cent of Deutsche Bank's international credit business was concentrated in industrialised countries.

Dr. Christians also expressed concern about the under-capitalisation of West German companies. Since the mid-1960s, their capitalisation had fallen on average from 30 per cent of the balance sheet total to less than 20 per cent and in some cases under 10 per cent. The result had been a steady increase in outside borrowing.

He said the West German Government should ensure that companies were able to earn and keep greater profits and that investors were encouraged, by market conditions, to put their money into companies rather than into fixed-interest bonds

Dutch coalition split over N-weapons

By Walter Ellis in Amsterdam

FUNDAMENTAL DIFFERENCES over nuclear weapons have prevented the Dutch coalition Government from completing its scheduled defence policy for 1983.

A substantial section of the Christian Democrats, led by Mr Job de Ruiter, Defence Minister, favours a strict limitation of the Netherlands' role in the nuclear weapons field. The rest of the party, plus their Liberal partners, insist that the strategy must remain as previously agreed with Nato.

Mr Hans van den Broek, Foreign Minister and a Christian Democrat colleague of Mr de Ruiter, is understood to have said that any attempt at restriction now would only serve to undermine Dutch credibility with its alliance partners.

This credibility is already strained by the continuing refusal of Mr Ruud Lubbers, the Christian Democrat Prime Minister, to agree to the deployment in Holland of 48 U.S. cruise missiles as part of Nato's strategy of establishing a European counter to Soviet SS 20s.

Mr de Ruiter and his backers claim to have the support of a majority in parliament for their stand. The opposition Labour Party could be expected to vote all the way in favour of nuclear withdrawal.

In cabinet there would still be a majority of more than three to one in favour of "keeping faith" with the alliance, but a defeat in parliament could place the future of the Government in jeopardy.

A variety of U.S. theatre nuclear weapons is kept in the Netherlands under guard by the Dutch armed forces. These include nuclear shells, nuclear mines and certain categories of short-range missiles. It has been NATO policy that these would be fitted to Dutch delivery systems in the event of East-West hostilities.

Mr de Ruiter wants the categories of such systems to be reduced to two: Lance cannon and F-16 warplanes. He is also believed to be opposed to cruise deployment and has thus emerged as the focal point of internal government dissent on the nuclear question.

Guidelines on the country's defence strategy were to have been completed this week in time for the next meeting in Brussels of NATO Defence Ministers, but there will now have to be further discussions

Bell System affiliate teams up with ITT in development deal

BY PAUL TAYLOR IN NEW YORK

SOUTHERN NEW England Telephone (SNET) yesterday became the first Bell System affiliate company to sign a general research and development contract with International Telephone and Telegraph (ITT), the diversified U.S. telecommunications group.

The new contract complements similar arrangements which SNET has with Bell Telephone Laboratories and Bell-Northern Research, an affiliate of Bell Canada. American Telephone and Telegraph (AT & T) has a 24 per cent stake in SNET.

Under the agreement, which becomes effective immediately, SNET has signed a "master services agreement" with ITT. Mr Alfred Van Sinderen, chairman and chief executive of SNET, said: "It covers no specific research contracts. Individual research projects will require additional contracts, as in a similar contract we signed last year with Bell-Northern."

Mr Van Sinderen also emphasised that neither the Bell-Northern nor the ITT research contracts were intended to replace the relationship SNET had with Bell Laboratories.

"We regard Bell Labs as the premier telecommunications research and development organisation in the world," he said. "We intend to rely on Bell Labs' research more heavily than ever as we move into the increasingly high technology information age. Today's research contract clears the way for us to get the benefit of ITT research in some areas."

He added that SNET was continuing to negotiate a general purchase contract with ITT for telecommunications equipment. "This is consistent with our multi-source strategy and will make it possible for us to buy certain types of ITT equipment in addition to those we already buy from other suppliers," Mr Van Sinderen said.

SNET's contract with ITT is seen as a possible forerunner of similar contracts by the 22 Bell operating companies which are due to be divested at the start of next year. SNET, together with Cincinnati Bell, is in a slightly different position than the Bell operating companies themselves.

As an affiliate of AT and T it has been able to move more quickly to take advantage of the new move towards deregulation in the industry.

The U.S. Justice Department anti-trust settlement with AT and T does not directly affect AT and T's holding in SNET. But some of its provisions will affect the telephone company, which is based in New Haven, Connecticut.

Cunard group buys into P & O

BY RAY MAUGHAN IN LONDON

TRAFALGAR HOUSE, British parent company of the Cunard shipping line, has bought nearly 5 per cent of P & O, a rival shipping group.

The share acquisition, disclosed yesterday, sparked speculation in London that another multi-million-pound takeover battle might be forthcoming. P & O shares rose 26p yesterday to 190p, valuing the group at more than £260m ($400m) against assets of £462m in its December balance sheet.

Trafalgar itself is valued at £415m after a 10p fall in its share price to 172p in anticipation of a substantial equity offer.

Trafalgar acquired a stake of £7.1m deferred P & O stock on May 6 although Lord Inchcape, the chairman of P & O, was not informed until Tuesday.

Mr Nigel Broackes, Trafalgar's chairman, has been indicating for some time that Trafalgar is once again ready to make an acquisition although he has stressed that any new business would have to fit in Trafalgar's shipping, construction, property and oil exploration interests. Cunard's flagship is the QE2.

P & O remains one of the world's foremost shipping companies although its fleet has been cut in recent years from a peak of 450 ships to about 60. The Uganda and the Canberra, two of its liners, were requisitioned by the British Defence Ministry during the Falklands campaign. The group has a 47 per cent holding in Overseas Containers (OCL).

P & O and Trafalgar House both have considerable property assets and major construction subsidiaries, Bovis and Trollope & Colls respectively.

P & O is a constituent of the FT Industrial Ordinary index, as was UDS Group for which Hanson Trust paid more than £230m earlier this year. A third constituent of the index, BTR, is currently bidding £660m for Thomas Tilling.

Lex, this page

France to put the socialist case at summit

By David Housego in Paris

FRANCE yesterday put proposals for international action to boost economic growth before a gathering of socialist governments in Paris.

The proposals, outlined by M Pierre Mauroy, the Prime Minister, are intended as the basis of a common programme for socialist governments to support at the economic summit at Williamsburg later this month, and subsequently at meetings of the United Nations Conference on Trade and Development and the International Monetary Fund.

The governments are to issue a joint declaration today designed to strengthen France's negotiating hand at the summit.

The title of M Mauroy's speech, "Towards Economic Growth, Full Employment and a More Equitable World Economy" was indicative of his Keynesian approach. It demonstrated the wide difference in view that openly exists between Washington and Paris on how to sustain and build on the fragile recovery now under way.

Le Monde's front-page editorial yesterday also showed clearly how far France had gone out on a limb among the seven summit nations in its views over monetary reform and the tone to adopt towards the U.S. over interest rates and the strength of the dollar. It was entitled "One Against All."

The conference is being attended by the prime ministers of Sweden, Finland, Greece and Portugal and by Mr Habib Thian, president of the national assembly of Senegal. The Austrian and Spanish premiers, who were to have attended, were detained by domestic political circumstances.

The views developed by M Mauroy follow those put forward by President François Mitterrand in his recent speech to ministers attending the annual OECD conference, when he advocated a Bretton Woods-style international monetary conference.

M Mauroy called for "concerted demand management to support the recovery." He said there should be a common aim and joint responsibility to bring about a higher growth rate than now seemed likely, even on the most optimistic forecasts.

Arguing that policies outside the U.S. remained restricted, he said there was a need to switch to stimulate demand through public and private investment, but without fuelling inflation.

Reinforcing proposals put forward by M Jacques Delors, the French Finance Minister, M Mauroy said that each country had different room for manoeuvre in applying expansionary policies, depending on how severe their inflationary pressure was.

Without naming the U.S., M Mauroy challenged the American view that an expansion of trade was the best way to promote recovery.

He said: "Only the co-ordination of economic policies in favour of a recovery, a re-ordering of the international monetary system, and a rapid conversion of the major economies towards a comparable degree of openness, can contribute, by their combined action, to forestall protectionist temptations and favour a renewed growth in world trade."

THE LEX COLUMN

Whiff of grape-shot from Trafalgar

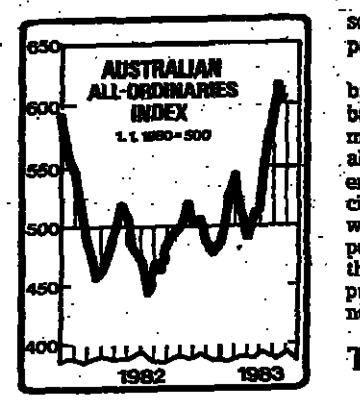
The shutters were firmly clamped shut at Trafalgar House yesterday after the announcement that it had picked up a significant stake in P&O. But Trafalgar is not a company that has made a practice of holding investment stakes, and the market was quick to reach its own conclusions on the likelihood of a following bid, pushing P&O up another 26p to 190 p and knocking 10p off Trafalgar itself to 172p. Trafalgar has made no secret of the reawakening of its acquisitional urge, and P&O certainly meets the criterion of operating in complementary areas, although it is a rather larger mouthful than had been expected.

However, if Trafalgar's intention is to go ahead with a full bid, its announcement is hardly designed to ensure the lowest price. Its stake amounts to a little over 5 per cent of the deferred stock, but when the preferred is taken into account only 4.9 per cent of the issued capital. So the declaration of the stake has not been flushed out by the 5 per cent legislative trigger point, but rather by leaks and speculation over the last couple of days.

P & O's record over the last decade provides scanty material for defence. Earnings per share over the past decade have fallen from 23p to 14p. Recovery hopes were again disappointed last year, but the volatile shipping contribution should be swinging the right way from now, which explains the timing of Trafalgar's move.

P & O's balance sheet boasts net assets of £462m, but in open market terms the valuation is probably nearer £350m. So Trafalgar may be prepared to pay something over 250p a share (£320m). Takeover of P & O would give the consortium partners in Overseas Containers (OCL) the option of buying its 47 per cent stake – for perhaps £85m net. Even so P & O would remain too big for Trafalgar to buy with cash alone. A paper-only deal might expand the number of shares by three-quarters, or a little over half ex-OCL, and lead to appreciable dilution of earnings.

Parts of P & O's portfolio look tailor-made for Trafalgar, with the Bovis construction company, the property assets and cruise liner operations easily absorbed. The oil trading arm fits with the moves into energy, while Trafalgar would also have a keen eye to the tax losses. But in the short-term the involvement in some of the more difficult shipping areas could reverse part of the uprating Trafalgar shares have enjoyed over the last year.



Australia

The doubts overshadowing the Australian markets before the general election in early March have been washed away as comprehensively as the farming drought. Despite a slight setback early this week as investors pondered the options of the Labor Government's mini-budget today, the All Industrial Index is standing at its all-time high of 757.4 – up by 25 per cent since December. The Metals and Minerals Index has risen by 13.6 per cent since the day before the election, and the all-ordinary by 17.6 per cent.

The markets are partly responding to some skilful tightrope walking from the new administration. Pre-election jitters reflected memories of the heavy-spending Whitlam years. Mr Bob Hawke, by contrast, has made use of the ballooning deficit figures he inherited to sell a policy of wages moderation – albeit tentative as yet – to the unions. With a 10 per cent competitive devaluation tucked away immediately after the election, the Mark I Hawke Government has a similar profits recovery appeal to the Mark II Mitterrand administration in France.

That recovery may still be some way away, but international investors have found Australia difficult to ignore at a time when most other world markets have been bid up to exceptional heights. Many industrial stocks still look cheap by Wall Street or London standards: with interest rates on a falling trend – medium-term bonds are down to around 12.4 per cent, against 14.4 in early March – average industrial yields of about 6 per cent give a sound foundation for growth companies.

Today's financial statement brings domestic considerations back into the limelight, but the main budget in August will probably give a firmer guide to the Government's plans to finance the deficit. The planned resources tax may well be a key element in these proposals. But since it will depend on the generation of windfall-type profits, it is still far enough away not to worry the markets.

Traded options

The splash created by the arrival of Liffe left the Stock Exchange's traded options pitches looking the sober elder brother among the City's fraternity of arcane financial markets. Yet trading has been showing steady growth which, as the election draws near, is temporarily turning into a flood.

Yesterday's volume of 9,171 contracts set a new record and the momentum looks certain to be sustained until the electoral hedge is redundant. Thereafter, business will settle down again. Shortly before the last election, after all, contract volume hit 4,000 on a single day, a figure which was not surpassed until late last year.

But, even allowing for the exceptional nature of the present activity, traded options do seem to be catching on. Contract volume rose [illegible] per cent last year and Hoare Govett, at least, feels sufficiently optimistic to poach an exensive team of specialists from a rival firm. Unit trusts, meanwhile, have been given the green light to establish option funds from next month.

The Stock Exchange, however, has not responded to the quickening interest with the firmest of support. Most tax anomalies in the market were cleared up in 1980 but, whereas Liffe managed to straighten out the position of pension funds in a matter of months, the five-year-old options market has still not squared up with the Inland Revenue on this hoary chestnut. Similarly, Liffe has shown rather more imagination in devising contracts. There seems no good reason, for example, why a gilt-edged option should not now be introduced to supplement the future contract next door. If the Stock Exchange were to devote half as much energy to traded options as it has to the USM, the market might really take off.

French football clubs seek tax aid

BY DAVID MARSH IN PARIS

FRENCH football club leaders today meet M Jacques Delors, the Finance Minister, to plead for tax concessions and other support to ease the parlous financial position of the sport in France.

At the centre of the discussions will be the austerity measures proposed by the football league last month to hold down players' salaries and limit transfer fees in order to stem the clubs's mounting losses.

M Delors, a keen basketball player in his youth, who now follows football mainly on television, will need to summon up peak political dribbling skills to weave his way round the complex problems facing French football.

According to the latest figures, the debts of professional clubs rose tenfold between 1979 and 1982 to stand at FFr 55m ($7.4m) last June.

Disparities in players' salaries came to the fore last year with the revelation of large hidden accounts maintained at France's most celebrated club, Saint-Etienne, to make under-the-counter payments to top players.

According to players' representatives, who called for a strike after last month's austerity plan, more than nine tenths of professionals in the first and second divisions earn less than FFr, 20,000 a month. But a number of top players have been able to negotiate salaries in excess of FFr 50,000

Acceptance credits limit

Continued from Page 1

ding more aggressively in the acceptance market. The Bank has asked some of these banks either to do less acceptance business or to build up other sterling banking business so as to achieve a more balanced portfolio.

There has been concern that some banks, particularly the Japanese, are using the acceptance market as the easiest means of entry into sterling banking business and are undercutting the market with low commissions.

Aetna and Montagu in fund link

BY RICHARD LAMBERT IN NEW YORK

AETNA Life and Casualty of the U.S. is setting up a fund management group in conjunction with Samuel Montagu, the London Merchant Bank, which has been 40 per cent owned by Aetna since last autumn.

The joint venture, Aetna Montagu Asset Management, will provide international investment portfolio management services to U.S.-based pension funds and other institutional investors.

Mr T. Jerald Moore, Aetna's vice-president of pension and financial services marketing, said yesterday the diversification of American pension fund portfolios had accelerated significantly during the past few years. "We anticipate that activity will continue," he added.

Aetna originally started a similar operation with S. G. Warburg, another leading London merchant bank, but that link was dissolved after the U.S. group acquired its 40 per cent interest in Montagu from Midland Bank in 1982.

Mr David Stevens, Montagu's managing director, will be chairman of the joint venture, which will be capitalised at £1.3m ($2.02m) Mr Samuel Keyes, Aetna's vice-president of marketing in the employee benefits division, will be vice-chairman.

With more than $23bn of pension-fund assets under management, Aetna claims to be the largest investor-owned insurance company in the U.S. group pension business.

Bonn agrees on 1984 budget

Continued from Page 1

eration of DM 4bn from a one-point rise in value-added tax in July, the remaining DM 500m going to boost state-backed savings schemes for employees.

The main other elements, which entrepreneurs have been demanding for years, include a reduction of the rates by which property taxes are assessed; a lowering of capital gains tax by a reduction in the time needed to write off assets with long lifespans; and measures to improve the attractiveness of shares.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	20	68	Dubrovnik	S	24	75	Malaga	S	24	75	Salzburg	F	17	63
Akrotiri	S	24	75	Faro	S	18	64	Malta	S	25	77	Seoul	C	21	70
Algiers	S	22	72	Florence	F	24	75	Manila	S	38	100	Singapore	R	32	90
Amsterdam	F	15	59	Frankfurt	S	16	61	Miami	C	29	84	Stockholm	S	21	70
Athens	F	25	77	Funchal	C	18	64	Milan	F	21	70	Strasbourg	F	18	64
Bahrain	S	32	90	Geneva	S	16	61	Moscow	F	28	82	Sydney	C	20	68
Bangkok	C	33	91	Gibraltar	S	22	72	Munich	S	16	61	Taipei	S	29	84
Barcelona	C	20	68	Guernsey	C	11	52	Nairobi	—	—	—	Tangier	F	19	66
Beirut	S	24	75	Helsinki	F	20	68	Naples	S	22	72	Tehran	—	—	—
Belgrade	S	28	82	H. Kong	S	27	81	New Delhi	S	38	100	Tel Aviv	S	28	82
Berlin	F	18	64	Innsbruck	F	18	64	New York	F	17	63	Tenerife	F	22	72
Biarritz	F	18	64	Inverness	C	10	50	Nice	F	19	66	Tokyo	S	21	70
Blackpool	F	12	54	Istanbul	F	22	72	Oporto	F	15	59	Toronto	F	11	52
Bordeaux	C	16	61	Jersey	R	12	54	Oslo	C	12	54	Tunis	S	26	79
Brussels	F	13	55	Jo'burg	F	18	64	Paris	C	14	57	Valencia	F	23	73
Budapest	F	29	84	Las Palmas	F	21	70	Prague	F	17	63	Venice	S	23	73
B. Aires	C	18	64	Lima	S	28	82	Reykjavik	C	7	45	Vienna	S	22	72
Cairo	S	31	88	Lisbon	F	17	63	Rio de J'o	R	34	93	Warsaw	—	—	—
Cape Town	S	27	77	Locarno	R	13	55	Rome	F	22	72	Zurich	F	16	61
Caracas	R	26	79	London	R	11	52								
Casablanca	C	19	66	Los Angeles	S	34	93								
Copenhagen	S	13	55	Luxembourg	C	15	59								
Corfu	S	28	82	Madrid	F	17	63								
Dublin	C	12	54	Majorca	S	22	72								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Tories plan to sell over half of BSC

Continued from Page 1

tion becoming private-sector companies.

Under the chairmanship of Mr Ian MacGregor, BSC has disposed of a minor slice of its total business. Mergers known as Phoenix operations have been organised with the private sector for forging and steel and wire companies, and stakes have been sold in other companies including Redpath Dorman Long.

But the Government's new plans would involve far more radical developments. They include possible link-ups with European steel producers in addition to a Phoenix operation for engineering steel, an initiative on steel tubes and other disposals.

The candidate chosen by the Government to succeed Mr MacGregor as chairman of BSC is believed to be ready to agree to the plans if he is appointed after the general election. He has not yet been named.

On BL, Mr Jenkin said the Government wanted to see the Land-Rover, Unipart, Jaguar and truck and bus businesses as "majority private-sector businesses." The Government accepted that it would not be realistic to include Austin Rover in that list.

"BL need not be broken up. Maybe there will be a holding company with different shareholdings for different parts of the business. That is our scenario for the end of the decade," Mr Jenkin, said.

Although no plans have been detailed the manifesto refers to making "as many as possible of Britain's airports" private sector companies.

The British Airports Authority has been examining possibilities and the Government is believed to be interested in hiving off profitable airports such as Heathrow, which made £47m ($73m) profits in 1981-82, into public limited companies in their own right.

But one of the problems for the Authority – and for National Bus – is that these profitable operations subsidise loss making airports and bus services.

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Hewlett up 16% after rise in orders

By Paul Taylor in New York

HEWLETT-PACKARD, the U.S. electronics group, yesterday reported a 16 per cent increase in second-quarter net earnings to $109m. Sales rose 13 per cent to $1.172bn.

The company also reported sharply higher U.S. domestic orders in the quarter ending on April 30. Mr John Young, the group's president and chief executive, said: "It may still be too early to call this a recovery, but we are very encouraged."

The strong second-quarter earnings, equivalent to 86 cents a share, compare with net earnings of $94m, or 76 cents a share, on sales of $1.039bn in the corresponding period last year.

For the first half-year, Hewlett-Packard reported net earnings of $194m, or $1.53 a share, on sales of $2.227bn, compared with net earnings of $167m, or $1.35, on sales of $1.975bn in the same period last year.

Orders received in the latest quarter totalled $1.239bn, an increase of 14 per cent over the second quarter last year when orders were worth $1.085bn. Domestic orders increased by 25 per cent to $715m, while international orders increased by a much more modest 2 per cent to $524m.

"Domestic orders grew progressively stronger during March and April," Mr Young said. He added, however, that international orders remained sluggish. "We have seen little improvement in major markets outside the U.S.," he said. "Europe is especially weak, with order levels for the quarter essentially flat compared with a year ago."

However, the company said that all four of its business segments showed second-quarter increases in orders over the 1982 period. The computer products segment was up by 15 per cent and sales increased by 17 per cent to $608m.

VAUXHALL AND OPEL TAKE 11% OF MARKET IN FIRST QUARTER OF 1983

Corsa helps GM forge ahead in Europe

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

GENERAL MOTORS' share of the Western European car market reached a record 11.1 per cent in the first quarter of 1983, emphasising the fundamental change in the balance of power between the major groups since GM began production at its new Spanish plant.

At the same stage last year GM, with its Opel and Vauxhall cars, had achieved 9.6 per cent of total European sales; the previous peak was 10.4 per cent for the second quarter of 1978.

GM's push this year has brought the market shares in Europe much closer together. So far in 1983 the French companies, Renault and Peugeot-Citroen-Talbot, have lost most through a combination of a relatively depressed home market and output being held back by industrial disputes.

The key element in GM's success in Europe is its new small "S" car, sold in continental Europe as the Opel Corsa and in Britain as the Vauxhall Nova and produced at the factory near Zaragoza.

Mr John Grettenberger, Opel's director of sales, says: "The Corsa will provide the locomotive for Opel's push into southern Europe – and the southern markets offer the major growth potential in Europe because of their substantial small-car demand. The Corsa will provide two-thirds of our total sales in Spain, and a third each in France and Italy."

In the first quarter of this year, before the "S" car went on sale in Britain, the Corsa accounted for 9.23 per cent of Opel-Vauxhall registrations totalling 312,257.

The GM companies are therefore well on target to reach 1.1m car sales this year and to take more than 11 per cent of the European market, which covers 16 countries. This should include 455,000 registrations in West Germany and a 19.4 per cent share of the market there.

Largely because of the Corsa, Opel's market share has improved in the first quarter from 2.2 to 3.2 per cent in Italy, from 2.2 to 3.9 per cent in France and from 1.9 to 9.4 per cent in Spain.

Opel has been carefully adding to its dealer networks in the "target" countries. In France, the network has been expanded from 194 dealers at the end of 1980 to 246, in Italy from 190 to 201 and in Spain from none to more than 100 at the moment and 150 by the end of the year.

Mr Grettenberger maintains: "All over Europe dealer development is one of the key elements in our marketing approach. We are placing strong emphasis on improving the retail productivity."

As part of this process, Opel will have installed 800 computers or terminals in its dealers' premises by the end of 1983. "In a year or so dealers accounting for 80 per cent of our volume will be covered by the system," Mr Grettenberger says.

Apart from helping dealers locate cars and speeding up the ordering of parts, the computer network can be used to channel information – such as a rival group's latest marketing ploy – quickly to the dealers.

In Spain, where Opel had never sold a car until 1981, the Corsa is expected to push the group's market share to 10 per cent this year. This involves the sale of about 60,000 cars compared with 16,000, a 3.5 per cent share, in 1982. Of the total, 40,000 to 50,000 will be Spanish-built and the rest imported from Germany. Opel has already raced past Ford as the biggest importer of cars to Spain.

Mr John Grettenberger

Even its rivals think Opel can win and hold a 14 per cent market share in Spain. Cars are already emerging from the Zaragoza plant at well over 1,000 a day (the eventual target is 1,200 a day) and the local content, measured by ex-factory value is 62 per cent against the agreed minimum of 50 per cent. Engines and transmissions for the Corsa are imported from GM's new plant in Austria and account for about 25 per cent of the value, so the level of local content cannot be pushed up much more.

While nearly everything seems to be going to plan for GM in Europe at the moment, there is no escaping that the group made a major miscalculation when preparing the ground for its sales push.

Back in 1978, when the $2.4bn investment in the "S" car was approved, GM expected that Spain would be member of the EEC by the time the Zaragoza plant began production.

It also estimated that the Spanish new car market would reach 1m a year by the mid-1980s, whereas in fact only about 600,000 cars a year will be sold for the next few years.

This means that exports will be more important than ever to the financial success of the "S" car – and profits are more difficult to make in export markets, particularly in the highly competitive small car sector where the European companies are deeply entrenched.

Groupe Bruxelles Lambert poised for third rights issue

BY PAUL CHEESERIGHT IN BRUSSELS

GROUPE Bruxelles Lambert, one of the major Belgian holding companies, is likely to go to the markets before the end of this year for its third equity capital increase in less than two years.

Baron Lambert, the president, told shareholders at the annual meeting in Brussels that if the group wanted to take advantage of current laws favouring the raising of new capital, action would be necessary before the end of the year. Nothing had been decided yet, he added.

GBL is thus roughly in the same positon as Société Générale de Belgique, the largest Belgian finance group, which is also poised to enter the capital markets.

If GBL does decide to go ahead this year, the raising of extra capital will be a further step along the road which started when Mr Albert Frere put together an international consortium to buy into GBL in March 1982.

Since that infusion of capital through the issue of new shares to the Frere consortium, there has been a further rights issue to raise BFr 1.78bn ($362m), and the group's main industrial subsidiary, Compagnie Bruxelles Lambert, has been absorbed.

However, the annual report shows that GBL has finally run down its holding in Banque Bruxelles Lambert, the country's second largest, to 10 per cent from 46 per cent. The rundown, which took place in stages and was completed at the beginning of this year, realised BFr 2.36bn.

The result of all these changes has been a transformation from a cash-starved group to one ready for expansion. The first move will be in the U.S., where Lambert Brussels Corporation will be used to absorb all the group's American interests including Drexel Burnham Lambert, the investment bank.

Baron Lambert said that future strategy of the group would be based on GBL in Belgium, Brussels Lambert in the U.S. and Pargesa in Switzerland.

Schindler to close plant

By John Wicks in Zurich

SCHINDLER the Swiss engineering group, is to close its Schlieren plant near Zurich over the next two years with the loss of 740 jobs.

The factory manufactures components for lifts and railway rolling stock as well as packaging machinery and aircraft wings. Annual turnover is estimated at some SwFr 70m ($34m).

Schindler, the world's second biggest lift producer, says it has been necessary to adjust its Swiss manufacturing capacities in view of "radical structural changes" within the lift industry.

Kaufhof sales increase fails to lift confidence

BY JAMES BUCHAN IN BONN

KAUFHOF, West Germany's second largest department stores group, saw a nominal increase in sales revenues in the first four months of 1983 but is not particularly confident about business this year.

Herr Jens Odewald, board member, said sales at the 86 department stores in West Germany rose by 3.5 per cent in the first four months, while total group sales, including travel and restaurant operations, rose by only 0.8 per cent. He doubted, however, that the planned 1 per cent increase in Value Added Tax in July could be passed on, and the group planned to cut its workforce further by 2,000 this year, after an 8.6 per cent drop last year to 48,100.

Retail sales in West Germany overall, which fell by 2.5 per cent in 1981 and 4.5 per cent last year, were still down by 1 per cent in the first quarter against the first quarter of 1982, according to Government figures.

Despite what Herr Odewald called the worst year for the retail trade since the Second World War, the group is relatively satisfied that it kept the fall in group sales to 0.5 per cent in 1982 to DM 8.45bn ($3.43bn), while the drop at the main department stores was 2.1 per cent to DM 5.6bn.

Fairly rigorous cost-cutting and the 3,500 jobs cut meant that the fall in after-tax profits was only DM 4.3m to DM 53.7m in 1982. The group is increasing its dividend by 50 pfennigs to DM 6.50 per DM 50 share.

Herr Odewald said that this year further streamlining of operations and stock reduction were needed and he did not rule out the closing of some "problem" subsidiaries.

Baldwin chief replaced

BY OUR FINANCIAL STAFF

BALDWIN-UNITED, the troubled U.S. financial services group, has deposed Mr Morley P. Thompson, president and chief executive officer, and brought in a management company to fill key positions.

Mr Thompson was largely responsible for transforming Baldwin-United from a Cincinnati piano manufacturer into a diversified company with interests ranging from musical instruments to life insurance.

At the end of last month Mr Thompson took leave of absence to obtain additional funds for the company, but yesterday Baldwin-United said he was no longer an officer or employee.

He has been replaced by Mr Victor M. Palmieri, director of a management company bearing his name. Palmieri will supply the services of other executives. Mr Peter A. Martosella Jr, a senior Palmieri vice-president will be Baldwin-United's executive vice-president and chief executive officer, a new post.

The company refused to say whether hiring a management company and replacing top officials was a condition of future outside financing.

Warner-Amex in major reorganisation

By Our New York Staff

WARNER-AMEX Cable Communications, the loss-making joint venture between American Express and Warner Communications, has announced a major reorganisation involving the dismissal of several senior executives and the elimination of about 57 jobs at its headquarters.

The shake-up was announced by Mr Drew Lewis, the former U.S. Transport Secretary, who was brought in earlier this year to replace Mr Gustave Hauser as chief executive.

The changes had been widely expected because of concern about the joint venture's high costs and big losses.

The company, with 1.3m subscribers, is among the nation's largest cable operators, but high capital investment costs have been a continuing drain on Warner and American Express resources.

GTM merger lifts Vallourec earnings

By Paul Betts in Paris

VALLOUREC, the leading French steel tube maker yesterday reported a sharp increase in its consolidated group earnings for 1982 to FFr 311.6m ($44.8m) from FFr 127.6m in 1981.

It admitted, however, that the strong earnings advance partly reflected the impact of the merger of the Grands Travaux de Marseilles public works company with Vallourec's Entrepose subsidiary to create one of France's largest construction groups.

Vallourec's 41 per cent share of the earnings of the merged GTM-Entrepose group boosted profits last year by FFr 106.3m.

The earnings increase also reflected a strong performance in the first half of last year in the oil industry steel tubes business, which represents a large slice of the company's overall sales. Activity in this sector tapered off in the second half of 1982.

This slump is shown up by the dramatic decline in the leading oil industry drilling index – the Hughes rig count – which shows an average of only 1,800 inshore rigs operating in the U.S. last month, compared with 4,500 in December 1981.

Genentech in marketing deal

By Our New York Staff

GENENTECH, the San Francisco-based genetic engineering company, announced that it has signed an agreement with Boehringer Ingelheim International, a multinational pharmaceutical company with headquarters in West Germany, covering the marketing of Gamma Interferon in Europe and other areas.

The deal complements an earlier arrangement with two Japanese companies, Daiichi-Seiyaku and Toray Industries, for marketing in Japan and possibly other East Asian countries.

Kredietbank

KREDIETBANK of Belgium is putting aside BFr 5.49bn for depreciation in 1982, against BFr 4.29bn in 1981. The 1981 figure was wrongly stated yesterday as BFr 1.2bn.

Bankruptcy fears recede as Dome tops stock market trading lists

BY NICHOLAS HIRST IN TORONTO

SHARES IN Dome Petroleum, the Canadian oil and gas giant wrestling with finance problems, have been changing hands faster than the company pumps oil out of its wells. Last week saw Dome shares topping the most active list on both the American Stock Exchange in New York and on the Toronto market. From a low for the year of C$3.10, the shares have lately touched a high of C$6.5.

The active trading and increase in price reflects an improvement in Dome's financial position and a growing belief that the C$1bn (U.S.$800m) rescue plan agreed in principle last September with its four main Canadian lenders and the Canadian Federal Government can be modified to give shareholders a far better deal than seemed possible when it was arranged.

"It would seem substantially to improve everybody's room for manoeuvre," says Mr Gwyer Moore, an oil analyst with Burns Fry, the Toronto stockbrokers. Dome ran into trouble on the back of the Federal Government's National Energy Programme. Announced in October 1980, the NEP was designed to increase Canadian ownership of the domestic oil and gas industry by discriminating against foreign-owned companies.

Prompted by the NEP, Dome paid C$4bn in a debt-financed two-stage acquisition of Hudson's Bay Oil and Gas Company, from the control of Conoco of the U.S. The oil market and interest rates turned against it and Dome found itself unable to make principal repayments on C$1.35bn of loans due by September 30 last year to the Canadian Imperial Bank of Commerce, the Bank of Montreal, the Royal Bank of Canada and the Toronto-Dominion Bank.

Neither the banks nor the Federal Government wanted Dome in bankruptcy. With the acquisition of Hudson's Bay Oil and Gas, Dome had become the most important upstream oil company in Canada. Its total debt to Canadian and foreign banks topped C$7bn. A collapse would have been politically and financially embarrassing.

But in agreeing a rescue package, the four Canadian banks and the Government took effective control of the company. Each agreed to subscribe for C$500m of convertible debentures. Private shareholders could subscribe for a further C$500m. Long-term debt was to be rescheduled over a period of at least 10 years. For the first 18 months the conversion price on the debentures was to be C$2.50.

That conversion rate threatened massive dilution of the 260m shares currently in issue. The banks and the Government also took the right to approve board appointments capital and operating spending and "other material matters."

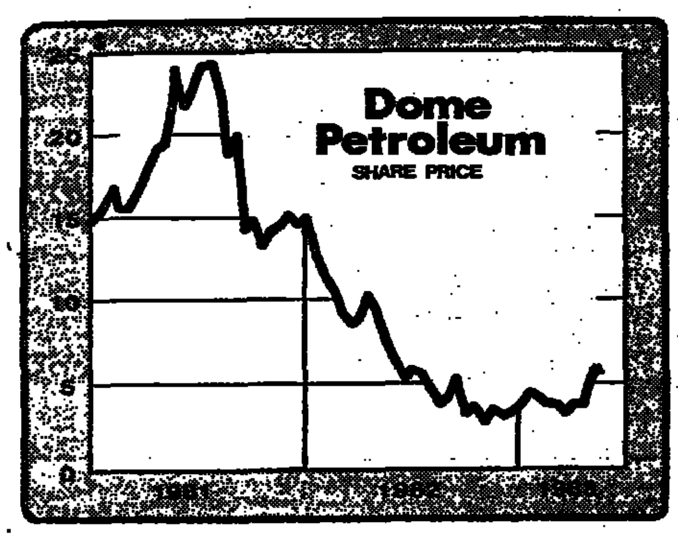
At the same time, a consortium of U.S. banks, led by Citibank of New York, with a U.S.$1.8bn loan outstanding to Dome was asked to acquire C$500m of debt held by the four Canadian banks. The Canadian banks' view was that if they were prepared to pump new money into Dome to increase the company's chance of survival, the U.S. banks should be prepared to increase their own risk. That, they have resolutely refused to do.

Meanwhile, Dome has been searching for alternatives which would avoid it taking all or part of the rescue money from the banks and the Federal Government.

Since September, the Canadian prime rate has come down four points to 11 per cent, sharply reducing interest charges on Dome's long-term debt, to around C$6.5bn. The company's net loss for 1982 was C$369.3m, but that included capital losses on the sale of assets and write-downs totalling C$314m.

For the year as a whole, the company had a cash outflow after interest charges of C$1m, but in the second half there was a positive cash inflow of C$59m. The company has pared back costs. Salaries have been cut by 10 per cent, benefits trimmed and head office staff reduced by 22 per cent. Margins on natural gas liquids have improved and oil output has risen. A rising stock market has enabled the company to obtain good prices for the sale of its shareholdings. In March, Dome received a net C$146.8m for 6m shares in its affiliate Transcanada Pipelines, and the company says it is now considering selling a substantial portion of its 30m shares in Dome Mines.

A sale of Dome Mines and the remaining 4.3m shares Dome Petroleum holds in TransCanada PipeLines could raise a further C$900m reducing debt and increasing cash flow, which analysts estimate will, this year, without assets sales, be between C$370m and C$500m.



Dome Petroleum's share price soared in the early summer of 1981 as a result of its moves to buy Hudson's Bay Oil and Gas Company, but later fell away, as doubts arose over its capacity to finance the deal. A C$1bn (US$815m) rescue package involving major banks and Canada's Federal Government shored-up the company, but there has been continuing debate over who in the rescue does what. Meanwhile, the stock markets have taken a better view of Dome's prospects. For some days, the stock has been topping the "most active" trading lists, and last week touched a peak for the year ahead of Tuesday's announcement of a first-quarter C$7.2m profit, compared with a loss of C$21.6m a year earlier. Recent movements have seen it swing from C$6.5 to C$5¼ and then up again

Dome still cannot avoid a restructuring of its debt. More than C$2.2bn of repayments will have fallen due by the end of the year. Analysts argue, however, that with a restructuring and a capital injection of around C$700m, Dome would be able to pay for its capital spending and begin to make significant debt repayments in two to three years time.

A scheme for Dome to raise C$700m through an issue of preference shares is understood to have been prepared by the New York investment house, Lehman Brothers Kuhn Loeb. If a price could be fixed close to the present value of Dome's shares, the dilution would be far less than under the Government scheme, and would enable the company to push for much greater independence.

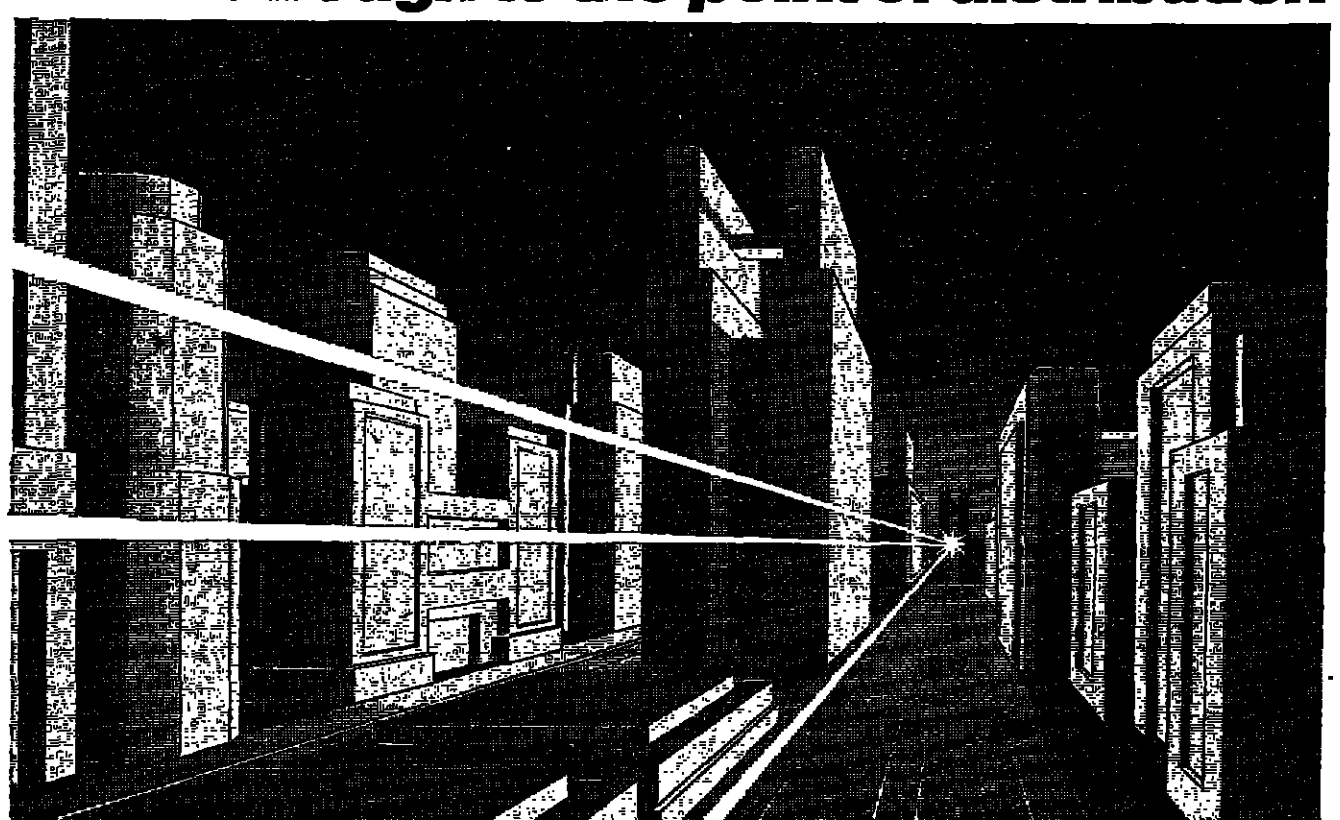
The Canadian banks, however, are far from convinced that the company can avoid taking the rescue package money. An injection of C$700m would still leave the company financially stretched. Shareholders equity, including preference shares and warrants at December 31 was only C$841m, backing up a balance sheet total of C$9.9bn.

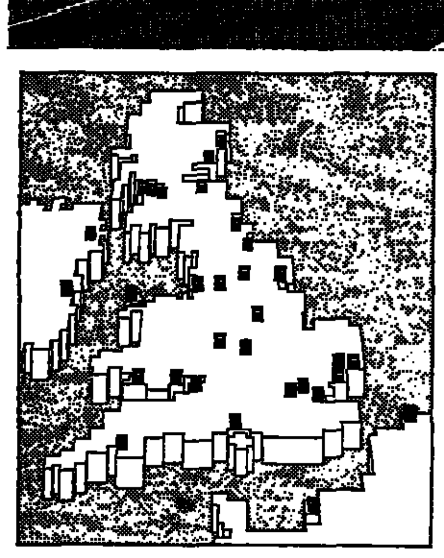
Dome's financial problems last year greatly reduced its ability both to explore and to develop wells. The number of development wells in which it had an interest dropped from 1,167 to 686 and its percentage interest in the wells dropped too. The fewer development wells Dome drills, the less its future cashflow will be. The Government's interest has been in supporting Dome as a fully fledged exploration and operating company, but its capital spending this year at around C$275m is going to be sharply down on the depressed levels of C$420m it spent last year. Along with Gulf Canada, Dome has been the main exploration company in the Beaufort Sea, and is involved in about one out of every five conventional wells drilled in Canada.

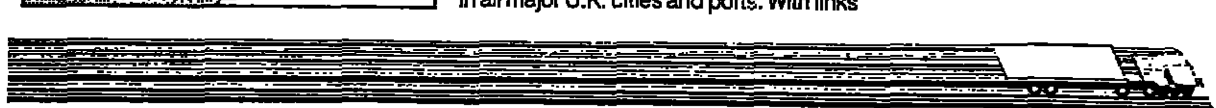
Before the Government allows a private sector solution, it will need to be convinced Dome has sufficient capital to meet its commitments in the frontier lands. The banks will need to be convinced that the company will have enough cash to maximise its future cashflow. One idea being floated is that Dome could take most of the rescue package money but retain an option to refinance it before conversion could be exercised.

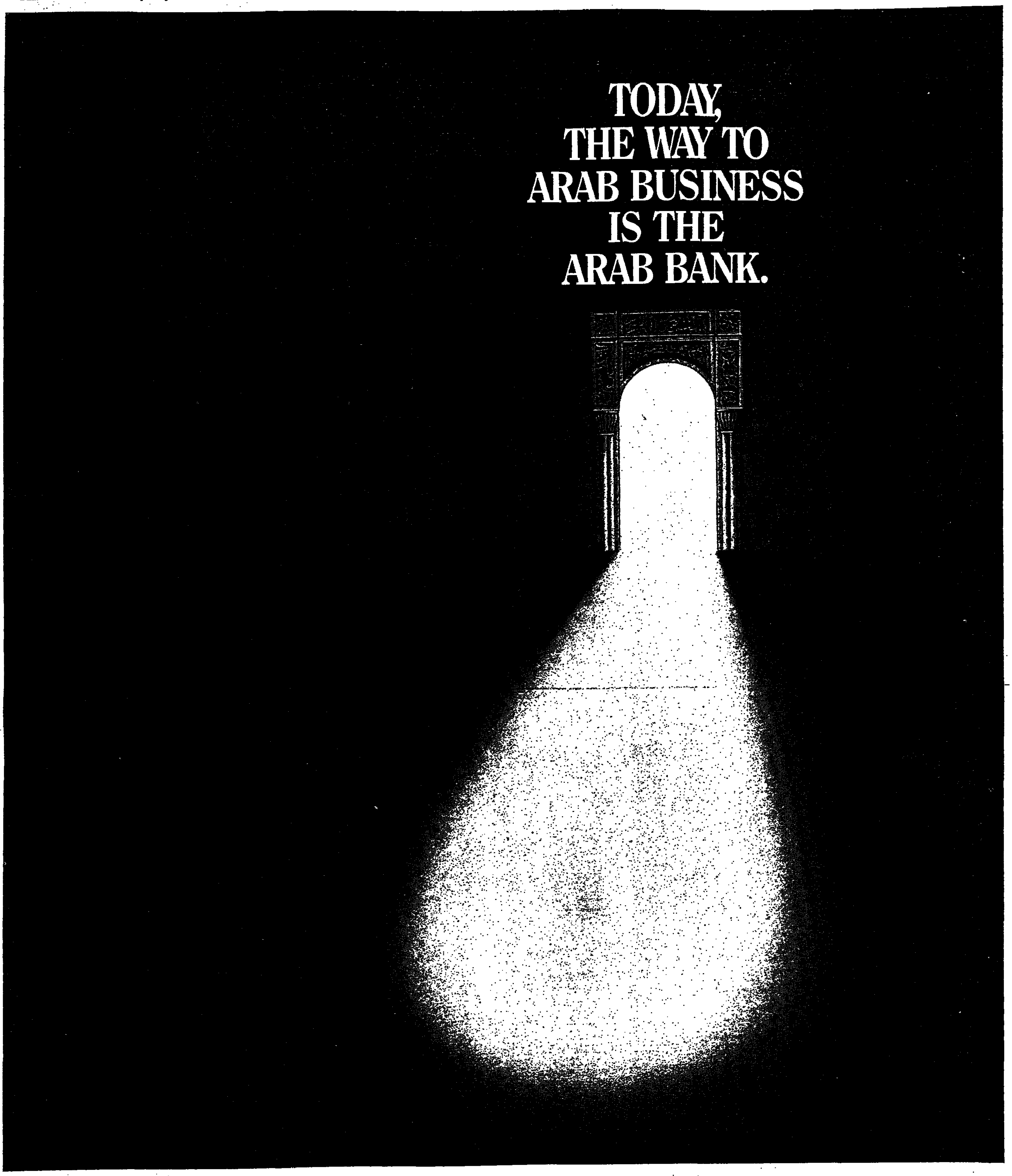
As it is, nothing is likely to be decided before Dome (listening carefully to the wishes of the banks and the Government) has chosen a new chief executive. Mr Jack Gallagher, one of the company's founders, has stepped down as chief executive and the company is now being run by an interim committee headed by Mr Frederick W. Sellers, the former chairman of the Canada Development Corporation. The committee is also charged with finding a successor to Mr Gallagher.

Meanwhile Dome's financial position has improved sufficiently for the company to regard bankruptcy as unthinkable. At the same time, the rise in the stock market and its ability to sell assets at more than knock-down prices has reduced the Canadian banks' concern to persuade the U.S. banks to take on more of Dome's debt. Dome expects a rescue package will be presented to shareholders some time in the second half of the year. It continues to pay interest on its debt, and repayments are being deferred on a month by month basis.








TODAY,
THE WAY TO
ARAB BUSINESS
IS THE
ARAB BANK.

INTL. COMPANIES & FINANCE

Japanese brokers win loans battle

BY YOKO SHIBATA IN TOKYO

JAPANESE securities houses are to be allowed to make loans to private individuals who can provide government bonds as collateral from June 1, according to Ministry of Finance officials. A formal decision to this effect will be communicated to both securities houses and banks today.

The introduction of this scheme, seen as the penetration of securities houses into what was formerly banking business, has been long delayed by bitter opposition from the country's banks.

Under the ministry's proposal the securities houses will be able to make loans up to a limit of Y5m ($21,460) to a single borrower against the collateral of the government bonds, government guaranteed bonds and local bonds. The value of the collateral security is set at 90 per cent of the listed price of the bonds.

The ministry, however, is to restrict such lending to loans on deeds and notes, excluding loans under agreements — for example overdraft facilities. This restriction is aimed at mollifying continuing bank opposition to the scheme.

However, the ministry has promised to review the position on loans "under agreement" by June 1984. As a result the scheme planned by the securities houses to introduce the "sogo koza" (composite account), an ordinary deposit account combined with government bonds, is to be postponed until next year.

The ministry has previously strictly confined the business of banks to "stock" of the capital and those securities houses to the "flow" of capital. However, of late it has increasingly blurred the boundary lines between these two financial sectors, in an attempt to introduce the third phase of its financial liberalisation measures aimed at meeting the demands of the electronic revolution and encouraging the smooth absorption of Y100,000bn worth of government bonds.

Since increasing large issues of government bonds are inevitable over the next few years to cover Japan's huge fiscal deficits, the Government has to work out the scheme so as to boost government bond sales, so even encouraging the battle between the securities houses and banks by removing the existing demarcations between them.

In the long running battle the banks had an early victory over securities houses by getting authorisation to sell government bonds over-the-counter as from April. Over-the-counter sales of the medium-term government bonds as well as dealing in government bonds on the secondary market are to be allowed from October this year.

The next step for the banks is to create the sogo koza accounts, similar to the financial instrument planned by the securities houses, which will provide customers with funds up to a set proportion of the amount of government bonds held. Finally, the banks are hoping to get into the investment trust business.

To counter this the securities houses have been calling upon the ministry to allow them to make government bond secured loans, asserting that they and the banks should provide services to customers on an equal footing.

The security houses' plan to establish composite accounts is a nightmare for the banks, which claim that the introduction of the loan scheme would lead to the establishment of a money market instrument combining medium-term government bonds with cash and credit cards.

The banks have recently seen a large shift in personal deposits away from bank accounts to the securities houses' investment trust funds, with a particular increase in the medium-term government bond funds, with their high yields. The net assets of investment trust funds in Japan totalled Y10,000bn at the end of April.

Loss halved at Philippine Airlines

By Emilia Tagaza in Manila

FOR THE first time in four years, Philippine Airlines made an operating profit last year from its transport operations, but costly interest charges kept the airline in the red.

Operating profits were 107m pesos ($11m) compared with an operating loss of 145m pesos in 1981. Interest charges of 518m pesos offset the operating profits and resulted in a net loss of 234m pesos. This was an improvement over 1981's net loss of 595m pesos.

ACI International profits plunge

BY LACHLAN DRUMMOND IN SYDNEY

ACI INTERNATIONAL, the Australian diversified group, is dipping into reserves to maintain its annual dividend payment after a 67 per cent collapse in net earnings from A$63.9m to A$20.9m (U.S.$18.5m) in the year to March 31.

A major factor in the downturn was the jump in interest charges from A$37.9m to A$71.4m as the group financed its poorly timed entry into coal projects which are still to come on stream.

Its building products and automotive interests were the most severely affected.

The company managed to stabilise its profits position in the second half, however, with the final six months contributing A$10.75m. This was still well down on an already recession affected final period of 1981-82, when A$27.2m was earned.

Sales for the year were 10.8 per cent ahead at A$1.82bn and before tax the profit decline was a more modest 39 per cent to A$57.5m after a depreciation provision of A$88m compared with A$65.7m.

The tax charge was A$24m against A$65m previously, while minority interests took A$12.7m compared with A$19.4m.

The result excluded extraordinary credits which boosted the attributable profit to A$33.4m, against A$77m, short of the amount necessary to maintain the 15 cent a share dividend which will absorb A$37.4m.

Of its international interests, ACI Asia's results were hit by devaluation in Indonesia and poor returns from its Singapore glass operations. In the U.S. results were "unsatisfactory" and there was only a minor contribution from Europe.

Earnings ahead by 27% at State Bank of India

BY R. C. MURTHY IN BOMBAY

STATE BANK of India, the country's largest commercial bank lifted total income from domestic and foreign lending operations by 19.1 per cent to Rs 16.83bn ($168m) in 1982 and profits by 26.7 per cent to Rs 190m.

Commercial banks were allowed by the Reserve Bank of India last year to charge high interest rates on their advances under the "Dear Money" policy. The maximum rate of interest was 19.5 per cent and the objective was to keep down credit expansion in the domestic sector and reduce inflationary pressures.

State Bank of India is the successor to the UK-owned Imperial Bank of India, whose majority shareholding was taken over by the Government in 1955. It has seven subsidiaries spread over the country. SBI's deposits rose 16.7 per cent to Rs 139.28bn in 1982. Domestic advances increased by 17.14 per cent to Rs 89.29bn and its foreign exchange business, handled by its overseas offices, rose by 67 per cent.

Mr R. P. Goyal, the chairman, said the State Bank has set up two wholly-owned subsidiaries—one in California and the other in Toronto.

Rs 1.7bn expansion plan for Tata Engineering

BY OUR BOMBAY CORRESPONDENT

TATA ENGINEERING and Locomotive Company (Telco), which is part of the Tata group, is to launch a Rs 1.7bn ($170m) expansion programme to raise commercial vehicle manufacturing capacity to around 87,000 units from the present 56,000.

Telco, the country's largest car manufacturer, has secured the Government's permission to expand manufacturing facilities at Pune in the western state of Maharashtra to 35,520 vehicles a year from the present 11,160. Its other plan at Jamshedpur in the northern state of Bihar has a licensed capacity of 33,480 vehicles a year. Government regulations permit Indian companies to increase production by 25 per cent in excess of the licensed capacity, which in the case of Telco will be 69,000 vehicles when the expansion is completed in three years.

The foreign exchange component of the Rs 1.7bn expansion is Rs 350m, mainly in the form of machine tools and equipment.

Sales rose by 30 per cent to Rs 8.02bn in the year to March 1982. In 1982-83 the growth rate of the company slowed down because of a recession in the road transport industry.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER MAY 17 1983

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.57	11.48	12.22	11.48
DM (Foreign Bond Issues)	7.36	7.42	7.79	7.23
HFL (Bearer Notes)	8.10	7.91	8.10	7.43
Can$ Eurobonds	12.66	12.70	13.55	12.66

J. Vontobel & Co. Bankers, Zurich - Tel: 010 411 488 7111

TECHNOLOGY

EDITED BY ALAN CANE

THE MAN RESHAPING BRITAIN'S DEFENCE RESEARCH AND DEVELOPMENT

Radical but cost paring

BY DAVID FISHLOCK, SCIENCE EDITOR

WHILE THE politicians try to thrash out fresh international agreements to limit numbers of nuclear weapons Britain is embarking upon the programme to develop its eighth and latest "nuke." It means a £300m investment in a single research centre.

The man with overall responsibility for Britain's biggest single research and development investment today—Mr Colin Fielding—is a friendly physicist of 56, with a career devoted to the invention of weapons and its management, and a brief to reshape the nation's defence R and D.

The Gregson report on engineering R and D in Britain,* from the House of Lords select committee on science and technology, said industry should stop complaining that defence was cornering too big a slice of the national R and D effort. Rather, it should copy defence's example of how to conduct a successful international business backed by an adequate R and D effort.

Fielding's task is to make the defence R and D budget stretch further, by managing it more efficiently.

As controller for establishments and research at the Ministry of Defence, Fielding rules the largest R and D operation in Britain, staffed by about 20,000. This activity will spend nearly £2bn this year, partly in its own 12 research centres, but mostly in contracts with industry, universities and the like. Nuclear weapons represent about one-quarter of his empire.

During the 1980s, Fielding expects to spend about £300m on the reconstruction of Aldermaston's sprawling campus in Berkshire. Unlike his other 11 research establishments, this one also has a production role for the "sensitive" parts of the weapon—namely, everything associated with nuclear materials and their behaviour.

Aldermaston, planned in the late-1940s, has "begun to be crummy" he admits frankly. As its director until he was promoted to his present post last autumn, he knows the problems intimately. Aldermaston must be raised to a much higher level of operational safety and security from the activity of terrorists.

The investment includes refurbishment of many facilities and rebuilding of those associated with plutonium processing and nuclear waste management.

Fielding's associations with defence science go back to post-war years spent at the (then) Royal Radar Establishment. He rose to become chief scientist to the Navy at the height of the £1bn Chevaline project, then arrived at Aldermaston as director in 1980.

In his new post, Fielding retains responsibility for nuclear weapon procurement. His former deputy, Peter Jones, Britain's foremost designer of nuclear warheads, is Aldermaston's new director.

The nuclear part of Fielding's empire always has been—and will continue to be—tightly cocooned for security reasons, and has little export potential. The other three-quarters is much more amenable to the over-riding challenge he faces. This is to get more return from the £2bn defence R and D budget, at a time when defence equipment is outstripping inflation and increasing faster in cost than government is willing to tolerate.

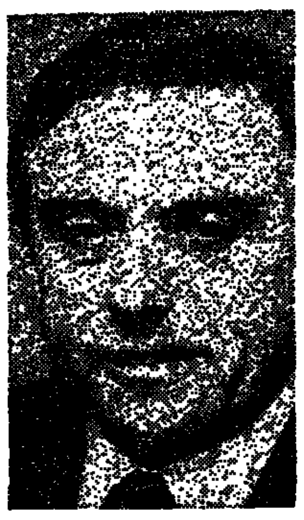
Complexity

The reason is explosive growth in complexity of weapon systems. The solution must be "to begin to think more radically." The place to start thinking must be R and D, he says. "As scientists, our capability is second to none. Now we must get the same response as businessmen."

The crux of his problem is to sort out precisely what his research establishments should and should not be doing. They grew up in an era when British industry was far less technically competent than today. With companies like Marconi Space and Defence Systems and Marconi Avionics built up into large, autonomous engineering groups operating right at the leading edge of defence science, there is much less need for the laboratories to do systems engineering.

Only industry itself can secure any substantial national benefit from "spin-off" from defence R and D. It is his job to see that everything industry can do is sub-contracted.

To move in this direction—"a strategy in which we are taking industry with us"—



Colin Fielding

Fielding believes both sides must make sacrifices. His research centres must shed much of their development and engineering, and build a stronger research base. But industry must be willing to "plug the gaps" in its resources at present in order to shoulder new responsibilities.

Probably the most glaring anomaly is in land systems, where the bulk of design and development is still done by the establishments. The Government has already made a crucial move. As a first step towards "privatisation" it has already set up a trading fund run by a new chief executive, to coalesce the activities of the Royal Ordnance Factories in tanks, guns, armour, explosives, etc. Since the ROFs themselves do no research, Fielding's empire is deeply embroiled in the problem of constructing an R and D arm for the new organisation.

The main R and D establishments involved are the Military Vehicles and Engineering Establishment, the Propellants Explosives and Rocket Motor Establishments and the Royal Armament Research and Development Establishment. Fielding's goal is a single establishment pooling 5-10 per cent of his manpower. He plans to begin by isolating enclaves within the present laboratories, with its "centre of gravity" likely to be Ford Halstead, near Sevenoaks in Kent.

With the merger of management btween the Royal Aircraft Establishment, Farnborough, and the nearby National Gas Turbine Establishment, a similar centre for air systems is already well advanced. Sea systems, however, may be harder to pool completely because of the clear distinction between the resources required for surface ships and underwater warfare.

Areas of research activity are also coming under close scrutiny as he strives to shape new "centres of excellence" for the rapidly advancing sectors of defence science, such as night-fighting, electronic warfare and communications. Again, the boundaries between some establishments, already blurred, may eventually disappear.

As Fielding sees it, his task may take three or four years to carry through, while it may take the rest of the 1980s to implement the strategy. "But if we don't have a strategy, we'll never get there."

Critical

Lord Rayner, now chairman of Marks and Spencer, in a critical defence study last year, showed that savings can certainly be made in the way defence scientists manage their research. Fielding says his report makes "good sense." It pinpoints the crucial weakness, in that government scientists are rarely required to bother about the cost of the resources at their disposal—computer time or use of ranges or wind tunnels, for instance. The key is to find some way of making middle research management accountable, as it is in industry.

So the Ministry of Defence is mounting an experiment upon itself; a kind of clinical trial of accountability. Programme managers at its Royal Signals and Radar Establishment, Malvern, are being asked to compete for new research programmes; to make bids based on real costs for up to a year ahead, and be charged with the full cost of the resources they say they need to do it.

The aim of the experiment will be to try to strike the right balance between accountability and highly motivated R and D.

*Engineering Research and Development. Vol 1, SO. £6.10.

TRIBOLOGY

Knees need lubrication

By Raymond Snoddy

DR BILL ROBERTS' main responsibility is to administer the National Centre for Tribology, which specialises in the study of friction, lubrication and wear.

The self-supporting Centre, which is part of the UK Atomic Energy Authority at Risley in Cheshire, made a modest profit on a turnover of £1.3m last year.

But in recent years Dr Roberts could also be found from time to time in a back room off the operating theatre at Warrington District General Hospital as Mr Arthur Morris, senior orthopaedic surgeon fitted new knee joints to legs amputated from cadavers.

"This has taken up an awful lot of my spare time," says Dr Roberts, a physicist not afraid of getting his hands dirty with engineering.

Staff at the Tribology Centre have been working on the development of a new knee joint for about eight years after Mr Morris came and asked for help.

Mr Morris said he was hopeful that the joint would prove better than anything now available but it was too early to say until the clinical trials were complete.

Knee joints were much more complex than hip joints and not all the problems had yet been solved.

The first three versions were used only to make amputated limbs more mobile.

But the first six joints of the Mark 4 joint have been fitted to living people and are, Dr Roberts says, a success.

A medical manufacturer, C.F. Thackray of Leeds has been licensed to produce the knee joint, which was developed at the Tribology Centre by Mr Paul White. The company has manufactured 200. Eight surgeons have already begun fitting them in a full-scale clinical trial which will be completed by next year.

Although there are many artificial knee joints on the market, Dr Roberts says the advantages of the Triobology Centre design include flexation through 165°, the ability to rotate as a normal knee does, and ease of insertion by the surgeon.

The Centre is also involved with Mr Leon Abrams, a consultant heart surgeon at the Queen Elizabeth Hospital, Birmingham, in the development of the Lucas-Abrams heart valve.

Ashley Ashwood

Mr Alan Walton, deputy manager of the National Centre for Tribology, demonstrates the knee-joint prosthesis developed at the NCT

About one-third of the Tribology Centre's work involves lubrication and wear in the nuclear industry.

The rest is equally divided between space — particuiarly satellites—and industry generally. The Centre has a total staff of 40.

But, Dr Roberts is still pleased with the Centre's two medical projects. Apart from anything else they demonstrate that lubrication doesn't necessarily mean oil. In the case of the knee joint the lubrication comes from synovial fluid and with the heart valve—its blood.

● The Risley laboratories are carrying out a series of programmes of direct interest to the nuclear industry and to industry in general.

The reactor plant inspection service, for example, runs a development programme of defect detection trials in support of the safety standards and their assessment required for the proposed British pressurised water reactor (PWR). This service has been in operation for ten years, undertaking reactor inspections on PWRs, chiefly in Europe.

The range of tests includes the use of ultrasonic probes to test for defects in the steel used for fabricating, for example, the cooling water inlet/outlet nozzle of the proposed PWR.

Peripherals

Mixing text and graphics

PERCEIVING THE growing need to mix text and graphics in computer printing applications, Diablo Systems Inc has brought out the Series 200 Electronic Printing Machine operating at some 300 lines per minute—about six pages a minute of mixed text and graphics.

The printer uses a raster technique to give an image density of 1,680 dots per horizontal line on plain A4 and U.S. sized paper. It uses a thermal technique in combination with a low cost ink donor film, each roll of which can print up to 1,300 printed sheets. The machine has a 250 sheet feeder and an output stacker.

Since it uses non-impact methods, the unit can be programmed to generate an almost unlimited array of text and graphics characters or symbols. But many of the popular founts designed for Diablo's daisywheel printers are available via software licence to users of the 200.

There is also a custom fount design and graphics digitising service. More from the company in Munich on 010 49 8935 17085 (from the UK).

Terminals

Portable from Texas

A LIGHTWEIGHT battery powered portable terminal which can fit into half a briefcase has besen announced by Texas Instruments. The model 709 is a development of the company's range of Silent 700 terminal which were introduced in the late 1960s. More details on 03446 77616.

PHARMACEUTICS AND COMPUTERS

Putting labels on the bottles

BY THE end of the year all pharmacists must use typewritten labels for the drugs they dispense. John Richardson, a small independent chemist who runs a shop in Preston, got so fed up with trying to find a quick way of printing labels automatically that he decided to develop a system himself.

He bought a second hand computer for £150 and learned to program it. That was 18 months ago. At first, friends in the pharmacy business saw his computer system and asked if they could have one too. Now, he has just launched a complete computer system which not only prints drugs labels but gives retail pharmacists a complete stock management system.

Mr Richardson said that his system can print up to 2,000 different types of drugs, with hundreds of doses, and stock reports. He hopes to win at least 20 per cent of the market for drug labelling. There are at least 15,000 retail pharmacists in the UK.

In order to concentrate on marketing the labelling system, Mr Richardson has now placed a manager in his shop at Preston. His new company has some 200 advanced orders for the equipment which has already been sold into several major hospitals.

The system is based on the BBC microcomputer manufactured by Acorn Computers. It is probably the first large scale industrial application of the BBC computer.

Extra memory has been added to the BBC B microcomputers to that it can be used in chemist's shops. The extra 96k memory is added to the memory via the computer's 1MHz bus. The rest of the equipment is a simple printer and floppy disc for storage.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Al Baraka International	10 %	Heritable & Gen. Trust	10 %
Allied Irish Bank	10 %	■ Hill Samuel	§10 %
Amro Bank	10 %	C. Hoare & Co.	†10 %
Henry Ansbacher	10 %	Hongkong & Shanghai	10 %
Arbuthnot Latham	10 %	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	10 %	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10 %	Lloyds Bank	10 %
Banco de Bilbao	10 %	Mallinhall Limited	10 %
Bank Hapoalim BM	10 %	Edward Manson & Co.	11½%
BCCI	10 %	Midland Bank	10 %
Bank of Ireland	10 %	■ Morgan Grenfell	10 %
Bank Leumi (UK) plc	10 %	National Bk. of Kuwait	10 %
Bank of Cyprus	10 %	National Girobank	10 %
Bank of Scotland	10 %	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10 %	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	United Mizrahi Bank	10 %
■ Charterhouse Japhet	10 %	Volkskas Intnl. Ltd.	10 %
Choulartons	11 %	Westpac Banking Corp.	10 %
Citibank Savings	¶10 %	Whiteaway Laidlaw	10½%
Clydesdale Bank	10 %	Williams & Glyn's	10 %
C. E. Coates	10½%	Wintrust Secs. Ltd.	10 %
Comm. Bk of N. East	10 %	Yorkshire Bank	10 %
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10½%		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
Robert Fraser	10½%		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%. 1-month 7.00%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of: under £10,000 6¾%. £10,000 up to £50,000 7¾%. £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £7,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

Duport shows strong upturn in second half

ALTHOUGH pre-tax losses of Duport for the year to January 31 1983 rose by £790,000 to £1.12m compared with those of the previous year the deficit for the second six months, at £268,000, showed a sharp drop on the figure for the first half.

Mr J. H. Russell, the chairman, says that apart from the Slumberland bedding companies, which fell short of expectations, the results for the year indicate the strong progress made in other sectors of the group—losses were expected to worsen in the second half.

He comments that the progress made during the year has continued into the current year despite highly competitive conditions persisting and with little evidence of any upturn in the economy.

In the absence of any further setback in the economic situation this progress is expected to continue and be reflected in a "return to modest profits."

Having regard to this all arrears of preference dividends are to be paid. A provision of £438,000 has been made in the accounts for all preference payments.

No ordinary dividend will be paid—the last payment was in 1980.

Turnover for the past year totalled £68.98m (£72.41m) including inter-divisional sales, and at the trading level there was a loss of £590,000 (£1.24m profit).

A divisional breakdown of these figures respectively shows: metal forming £18.73m (£25.46m) and £1.47m loss (£1.01m loss), furniture £14.73m (£29.84m) and £444,000 profit (£167,000 loss), plastics £16.64m (£16.22m) and £1.61m profit (£2.22m profit) and other interests £2.87m (£1.56m) and £560,000 profit (£196,000 profit). Turnover of discontinued businesses totalled £15.83m and losses amounted to £1.74m.

Pre-tax profits were after deducting £587,000 (£1.62m) for interest and adding £62,000 (£55,000) from dividends from trade investments.

Both the Slumberland and Vono UK bedding businesses continued to incur substantial losses and in November last year the assets of Vono were sold and in February this year Slumberland was sold to Melatex.

The performance of Slumberland (Australia) deteriorated sharply towards the end of the year as the economic climate there worsened. Both this company and the interest in the group's associate in Malaysia were sold to Dunlop Olympic.

As part of the arrangements associated with the sales the purchasers were granted licences to use the Slumberland name with royalty income going to Duport International.

Tax for the past year took £180,000 (added £8,000) and below the line there were extraordinary credits of £5.01m (£1.77m), including £3.41m from the disposal of land and buildings.

After preference dividend payments there was a transfer to reserves of £3.28m (£1.45m).

Stated loss per 5p share amounted to 3.4p (0.74p).

Mr Russell says the group's financial position has been greatly improved by the restructuring measures. Net borrowings at January 31 1983 represented 21 per cent of shareholders' funds, compared with 48 per cent at the end of the previous year.

He adds that as Duport Steels is now in liquidation the claims for repayments of Government grants of £3.5m is no longer included in the group balance sheet. The liquidation is proceeding but no allowance has been made in the accounts for any distribution

● comment

Duport's struggle to shed its steel interests and find some new direction has been a painful one but it looks as though 1983 might mark the beginning of more settled times for the company. The disposal of loss-making Slumberland in March ends its rationalisation programme. It leaves a workforce of 2,600 in metal forming, furniture and plastics. None of the divisions detects signs of an upturn in demand but there is at least no further contraction. At present levels a return to modest profits is hoped for, and the company feels confident enough to be able to catch up on arrears of preference share dividends. Borrowings have been reduced to £3m, from 48 per cent to 21 per cent of shareholders' funds—a level the company hopes to maintain. Its strategy for 1983 is to exploit the businesses it has retained, pushing new product lines like the Swish plastic windows, and developing its small but successful computer services business.

Redfearn Glass omits interim as losses increase

PRE-TAX losses increased from £624,000 to £982,000 at glass and plastic container manufacturer, Redfearn National Glass, in the 26 weeks to April 3 1983. In view of the results and the immediate trading outlook, there is no interim dividend.

The directors say any decision regarding a dividend for the year as a whole will be taken in the light of the year's results and the outlook at that time. Last year, an interim of 3p net was followed by a 5.28p final and the company recorded a pre-tax profit of £576,000 for the 12 months.

In the current year, demand for glass containers has been badly affected both by the continuing recession and by alternative packaging materials, while price cutting has continued to have a serious effect on the company's overall trading results.

Despite considerable gains in productivity, costs continued to rise at a time when revenue had reduced, the directors state. Sales for the half year slipped from £31.75m to £31m, with the figures for glass and plastic sales at £28.3m (£29.8m) and £2.7m (£1.9m) respectively.

On prospects, the directors comment that the long-term outlook for sales of "PET" containers for soft drinks remains good, only tempered by a trend for some customers to manufacture these containers in-house.

The outlook for glass containers is not encouraging but there are opportunities for improving the company's position within the market

At the trading level, the company made a loss of £350,000, against a £1m profit last time. The result was struck before sharply reduced redundancy costs of £10,000 (£1.02m) and net interest charges of £622,000 (£608,000).

There was no tax, compared with a £78,000 charge before, and the deficit per 25p share came out at 16.25p, against 11.63p.

Depreciation and furnace renewal expenditure of £1.92m (£1.94m)—after crediting Government grants released—has been charged in arriving at the trading result.

Reviewing the company's operations, the directors say that reduced demand for glass containers resulted in a continuing level of over-capacity. In spite of improved operational performance with better levels of productivity and quality achievement, it was decided in December to take further steps to reduce cost levels. A series of measures was announced which included a further 300 redundancies and this programme has now been accelerated.

At RN Plastics plant has been installed which will permit the company to be substantially self sufficient in the supply of components for making "PET" bottles and this will remove a limitation on output. The operation of RN Plastics shows further opportunities for productivity improvement.

● comment

Overcapacity in the glass industry led to the savage price-cutting which was almost entirely responsible for Redfearn's 49 per cent increase in pre-tax losses. The company's glass prices have slipped 4 per cent since the start of the year, although volume has decreased only marginally. But sales did grow at RN Plastics, set up four years ago to enable Redfearn to take advantage of the demand for new packaging materials. However, the plastics division turned in a small loss because production was disrupted by the installation of new plant, which will make the division self-sufficient in base cups for PET bottles. Although RN Plastics should be profitable in the second half, the company does not expect that to offset the division's interim loss. Further redundancy costs, which will all be on the glass side, could knock the group's second half figures back by some £1m, pointing to a final loss of around £2m. The market, perhaps more disheartened by the missed dividend than the pre-tax figure, marked the shares down 11p to 109p.

Chamberlin & Hill falls

DESPITE a £211,215 downturn in pre-tax profits to £275,191 for the year to end-March 1983, Chamberlin & Hill is maintaining its net dividend at 2.9p by the same-again final of 1.8p.

The directors say the foundry cost base has been significantly reduced as a result of closing the Leamore Lane foundry and concentrating production of malleable castings at the newly equipped Bloxwich foundry.

However, with last year's experience in mind they take a cautious view of market prospects for the foundries but look forward to another year of progress in the electrical engineering companies.

Group turnover for 1982-83 was little changed at £9.63m (£9.49m).

NSS rises by 10% to £3.4m midway

FOR THE 26 weeks ended April 3 1983 NSS Newsagents returned profits of £3.44m pre-tax, an improvement of 10.1 per cent over the £3.13m made in the first half of the previous year, and the net interim dividend is being effectvely increased from 1p to 1.1p per 10p share.

Despite the 27-week second half period of last year Mr P. H. Byam-Cook, the chairman, is hopeful of maintaining "satisfactory" growth for the current 12 months—pre-tax profits for 1981-82 totalled £5.31m and a final dividend of 1.75p was paid.

A total of not less than 3p for 1982-83 has already been forecast.

Sales for the opening period of this year rose by 6.3 per cent to £74.36m (£69.94m) and although little benefit from the easing of restrictions on consumer credit was felt, retail sales were satisfactorily ahead of those for the same period last year.

Tax took more at £1.55m, against £1.13m, leaving available profits at £1.89m, compared with £2m.

Adjusted earnings per share emerged at 6.4p (7.3p) basic or 5.7p (6.3p) diluted.

He adds that 14 retail outlets have been acquired since the start of this year, but with disposals and mergers, the net increase it 10.

The group's move to its new headquarters in Woking has been completed with minimal disruption, but increased central expenses were incurred. These will continue until sub-lettings are completed of office space surplus to group requirements.

● comment

The traditional CTN business contributes about 80% of NSS Newsagents' sales so it is relieved to have escaped swingeing increases in tobacco duty in the budget and to see signs of growing stability in the strike-troubled newspaper and magazine business. It continues to expand its confectionery lines, where margins are better, and to experiment with other products including toys and stationery. It raised £5.5m in February which will help to fund future expansions. NSS acquired 14 shops in the first half and is likely to at least match that number in the second. It has to bear the cost of its new head quarters in Woking where 34,000 sq ft of the 52,000 sq ft are on the market but not yet let. Commercial rates of between £10 and £11.50 a sq ft, will provide a useful income for NSS when lettings are completed. Capital expenditure for the current financial year will be around £5.5m of which around £4m will be met from cash resources leaving the company's balance sheet in a strong enough state to consider further expansion in 1984 before contemplating another rights issue. The second half trading is not as strong as the first, but profits of £5.75m should be possible for the year. The share price which rose 2p to 122p yesterday is selling on a prospective PE of around 13.

Anglo American Agriculture calls for £4m

By Dominic Lawson

Anglo American Agriculture, whose shares are dealt in under Rule 163 (2), are placing up to 10m new ordinary shares at 40p each, to raise up to £4m. The issue is being arranged by Noble Grosshart, who have been appointed merchant bankers to Anglo American.

Anglo American (formerly Scottish Ceylon Tea) has two principal investments in a vineyard in California and a jojoba plantation in Arizona. The company's plan involves the creation of a substantial plantation group operating in the permanent crops sector of U.S. agriculture.

This sector principally comprises grapes, citrus, nuts and other tree fruit. The placing will enable Anglo to widen its involvement in this sector.

In 1982, Anglo made pre-tax profits of £71,459, comprising principally bank deposit interest and exchange rate profits. In its early years Anglo American proposes to distribute the major part of earnings as dividends to shareholders and intends to recommend a dividend this year which would give a gross yield of 5 per cent at the placing price.

Occasional bargains have been permitted in Anglo American's shares under Rule 163 (2). The company intends to obtain a full listing for its shares on the Stock Exchange at the earliest possible date.

Rolfe & Nolan

For the year to the end of February 1983 pre-tax profits of Rolfe and Nolan Computer Services moved up from £300,000 to £321,000 on sales ahead from £1.36m to £1.82m.

The net dividend of this company, whose shares are traded on the Unlisted Securities Market, has been lifted from 2.5p to 2.75p net. Earnings per 10p share were shown as rising from 9.1p to 10p.

Tax for the year amounted to £70,000 (£73,000), which the directors say was low because of the significant level of capital expenditure. The attributable balance came through at £251,000 (£227,000) from which dividends absorbed £69,000 (£63,000).

Mr Paul Rudder, the chairman of Advance Services.

Advance Services improves to £4.6m

A SECOND-HALF pick up following marginally lower mid-year figures meant Advance Services raised 1982 pre-tax profits to £4.59m, compared with £4.12m previously. Turnover of this linen supply, laundry and allied services group however, was little changed from £37.99m to £37.75m.

At halfway, when reporting taxable profits of £2.14m (£2.2m), the directors of the company—a subsidiary of the British Electric Traction Company—forecast a modest improvement in full-year results.

They now say that there are modest signs of improvement in the market and profits should be at least maintained in the current year.

The dividend for 1982 is being increased from 3.3p to 3.5p net per 10p share with a higher final of 2.5p (2.3p). Stated earnings per share were 6.29p (4.94p) or 4.79p (4.77p) fully taxed.

At the attributable level, profits rose by £0.51m to £1.81m. Tax charge was lower at £1.81m (£2.11m), minorities took £897,000 (£525,000) and there were also extraordinary debits of £71,000 (£183,000).

The preference dividends absorb £18,000 (same) and the ordinary payments £1.04m (£980,000).

The directors comment that the company's balance sheet is healthy and Advance will be in a good position to exploit any upturn in traditional markets.

British-Borneo well ahead

PRE-TAX profits of investment holding and dealing group, British-Borneo Petroleum Syndicate, leapt from £354,163 to £1,154,338 for the year to March 31 1983.

The dividend total is unchanged at 12.8p net per 10p share with a same-again final of 8.45p.

The company has changed its accounting policy to bring its accounts for the years to March 31 1983 and March 31 1982 into line with the requirements of the Companies Act, 1981.

Unrealised losses on investments held by the parent company have been charged in arriving at the profit/loss on dealing activities. This causes a substantial change to the accounts of the previous year, because of unrealised losses in that year of £421,644, which arose mainly from investments in some of the smaller listed oil exploration and development companies in the U.S.

Unappropriated profits brought forward from the year to March 31 1981 have increased by £895,974 previously included in capital reserve, but now required to be included in unappropriated profits because it consists of realised and distributable profits.

The directors have also changed the accounting policy in respect of the oil and gas ventures in Canada which started in 1977 and which have not so far yielded commercial discoveries capable of development.

The costs to March 31 1983, totalling £1,000,056, have been charged in the P and L account, the major amount of £990,556 included in the prior year adjustments being costs up to March 31 1981. There are also interest charges and currency losses on these ventures amounting to £114,103 and £200,328 for the 1981-82 year, which have been charged in the P and L account for that year.

	1982-83 £	1981-82 £
Profit on dealing activities	504,111	*156,952
Short-term interest receivable†	108,842	96,568
Investment income	1,025,533	1,020,873
U.S. oil & gas producing Props. income	105,080	—
Exchange profit	25,333	*170,156
Making	1,766,879	789,333
Amortisation U.S. oil & gas producing props.	55,834	—
Administration expenses	111,801	110,957
Consultants fees	93,352	101,041
Interest payable	346,781	218,445
Can. oil & gas expl ventures expend.	4,773	4,727
Profit before tax	1,154,338	354,163
Taxation	372,760	348,419
Net profit	781,578	5,744
Brought forward	1,464,610	3,053,856
Prior year adjusts. debit	—	1,018,990
Dividends	576,000	576,000
Carried forward	1,670,188	1,464,610

* Loss. † Including other income.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Advance Services	2.5	—	2.3	3.5	3.3
Ambrose Invest Tst	4.8	—	4.5	7.8	7.3
British-Borneo	8.45	July 7	8.45	12.8	12.8
Canvermoor ......int	1.2†	July 1	—	—	—
Chamberlin and Hill	1.8	—	1.8	2.9	2.9
Hartwells	3	July 31	2.74*	4.4	3.94*
Lon Prudential Inv Tst	3.25	—	3.05	5.5	5.3
Irish Distillers ......int	1.5§	July 19	1.1	—	5
Northern Indstl ......int	2	July 15	2	—	8
NSS Newsagents ...int	1.1†	July 4	1*	—	2.75*
Redfearn Glass ......int	Nil	—	3	—	8.28
Rolfe and Nolan	2.75†	July 28	2.5	2.75	2.5
Usher-Walker	3.5	July 1	3	5	4.29

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Irish pence throughout.

Public Works Loan Board rates

Effective May 18

Years	Quota loans repaid by EIP†	At‡	at maturity§	Non-quota loans A* repaid by EIP†	At‡	at maturity§
Up to 3	10⅝	10⅞	11	12	12	12¼
Over 3, up to 4	10¾	10⅞	11¼	12	12	12¼
Over 4, up to 5	11	11	11⅜	12	12	12¼
Over 5, up to 6	11⅛	11¼	11⅜	12	12¼	12
Over 6, up to 7	11¼	11½	11⅜	12	12⅛	12
Over 7, up to 8	11¼	11⅝	11½	12	12⅛	12
Over 8, up to 9	11¼	11⅛	11⅜	12	12⅛	12
Over 9, up to 10	11⅜	11¼	11¼	12	12⅛	12
Over 10, up to 15	11⅜	11¼	11¼	12	12⅛	12
Over 15, up to 25	11¼	11	10⅞	12⅛	12	11⅝
Over 25	11	10⅞	10⅞	11⅞	11⅞	11⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Mettoy losses grow to £3.8m

ENLARGED pre-tax losses have been produced by Mettoy Co. for 1982 — up from £2.74m to £3.83m on sales down from £28.17m to £24.99m. This compares with the estimated loss of £3.63m accompanying last February's rights issue.

Losses per 25p share were shown as rising from 16.5p to 23.6p.

Sales of this Swansea-based toy manufacturer were 11 per cent lower with a greater fall in product areas which were closed down at end of 1982. There was a weakening of export business in continuing lines in the second half of 1982, and it was particularly important that the company should obtain a favourable reaction to its 1983 product range at overseas trade fairs in February, which it managed to gain.

In the UK, the company has had an equally favourable response, and has won several new accounts for both toys and engineering.

Modest growth is planned in diecast business in 1983, but despatches to date are below those for corresponding lines in 1982.

The performance of the associate, Dragon Data, is most encouraging, say the directors. This business continues to grow rapidly and profitably in a burgeoning market.

The rights issue last February provided a net £3.1m of shareholders' funds. These were used to reduce current bank borrowings and meet working capital requirements of the group.

The Northampton headquarters were closed last March, completing the basic restructuring programme.

Pre-tax losses were struck after exceptional debits of £282,000 (£344,000) and interest charges of £1.48m (£1.59m). Associate profits dropped from £118,000 to £40,000.

Tax credits were reduced from £71,000 to £14,000, leaving net losses of £3.82m (£2.67m) before extraordinary debits this time of £693,000.

Canvermoor slips but sees second half upturn

THE FIRST interim pre-tax profits published by Canvermoor since its arrival on the Unlisted Securities Market last December amounted to £112,000 for the six months to March 31 1983, a decrease on the comparable figure of £182,000. The directors forecast a sharp upturn in the second half. Turnover of this producer of soft drinks and cordials moved ahead from £955,000 to £1.18m.

The net interim dividend, which has been waived by the chairman on his 2.6m shares, is declared at 1.2p as foreshadowed in the prospectus.

Depressed trading levels in the licensed trade were exacerbated by the effects of the water strike in February, say the directors, which they estimate to have cost some £20,000 in loss of net profit. There are signs now of increased patronage of the pubs and clubs which the company supply. The bulk of net profit is attributable to the second half, they say.

The new Luton factory is due to open in July and which will reduce transport charges from West Yorkshire.

The directors expect a substantial advance in the second half and a satisfactory result for the year.

A new Birmingham depot was opened in October giving coverage of the West Midlands. Dorset operations commenced in February.

Bottled drinks are making increasing inroads into the licensed trade, while Bulmers cider sales have surpassed the company's most optimistic forecast. Towards the end of March, Bulmers Cider replaced the company's own German brand.

The launch of Bulmers enabled the company to remain in a very lucrative market and extricate itself from the problem associated with a strong Deutschmark and the limited consumer acceptance of the German cider.

Pre-tax profits were struck after depreciation of £201,000 (£145,000) and net interest charges of £9,000 (£11,000). There was again no charge for tax.

Usher-Walker doubled at £675,000

While turnover of Usher-Walker, manufacturer of printing inks and rollers, rose by £0.35m to £8.52m in 1982, pre-tax profits were doubled at £675,288, against £337,521 previously. At halfway, taxable figures were ahead from £145,000 to £354,000.

Stated yearly earnings per 10p share climbed from 8.69p to 15.5p, while a final dividend up from 3p to 3.5p net raises the total payment to 5p (4.29p) per share.

Pre-tax profits were struck after lower interest of £23,425 (£35,361). Attributable figures showed an increase from £188,360 to £326,697, after tax of £341,991 (£149,161) and an extraordinary debit of £6,600 this time.

Dividends absorb £109,900 (£94,791) leaving a retained surplus of £216,797 (£93,569).

Poor response to water offers

Two recent offers for sale of water company redeemable preference stock offers have met with very poor response.

The East Anglia Water Company offer for sale by tender of £4m 7 per cent redeemable preference stock dated 1988 attracted applications for only £353,000 of stock and the underwriters will be required to take up the balance.

The offer for sale by tender of £2m 7 per cent redeemable preference stock 1988 by the North Surrey Water Company attracted applications for £321,700 of stock, and here too, underwriters will be required to take up the balance.

Brokers to the stocks were Seymour Pierce & Co. Dealings in both stocks being today.

Warehouse Group

The Warehouse Group has announced that in respect of the issue of 86,072 new ordinary shares of 25p each made in connection with the recent one-for-four rights issue, shareholders subscribed for 83,699 (97.2 per cent). The offer has now closed.

Hartwells jumps 52% to £3.2m

AN INCREASE of 51.9 per cent in pre-tax profits from £2.08m to £3.17m has been shown by Hartwells Group for the year to the end of February 1983. Turnover of this vehicle distribution, heating services and bulk fuel oil distribution group moved ahead from £158.81m to £184.62m.

The total dividend has been effectively lifted from 3.94p to 4.4p net with a final of 3p (2.74p adjusted for one-for-two scrip). Earnings per 25p share were shown as rising from 9.3p to 14.2p.

Satisfactory profits are expected for the current year, says Mr F. S. Huggins, chairman.

Commenting on the period under review Mr Huggins says that the improvement in results can be attributed to some improvement in trading conditions, to record sales figures last August, and also to a 6 per cent reduction in average number of employees.

Mr Huggins also says that results have been helped by general reductions in interest charges at £710,000, only slightly higher than the previous £702,000.

A breakdown of turnover shows: vehicle distribution sales and service £140.37m (£116.21m); heating services and bulk fuel oil distribution £44.25m (£42.61m).

The year's trading took place against an economic background little changed from 1981-82, says Mr Higgins. Nationally, new passenger vehicle registrations for 1982 were up by 4.7 per cent at 1.50m units but the results for the year, while benefitting from this improvement in the market-place, also reflected other factors. One was the elimination of loss-making areas within the business.

Passenger vehicle sales both new and used were significantly up (14.4 per cent) in the year with a combined total of 26,187 units being sold compared with 22,895 used vehicles sales in the second half being boosted by the abolition of hire purchase controls.

The maintenance of margins at the time of intense competition has been fundamental to the trading achievement in this area.

The effect of price increases for oil resulted in a continuing fall in bulk fuel oil deliveries. Despite an increase of 3.9 per cent in turnover to £44.3m (£42.6m) the volume of fuel oil delivered fell from 44.5m gallons to 38.7m gallons—a 13 per cent fall in the year.

Tax amounted to £633,000 (£430,000) which left attributable profits up from £1.65m to £2.53m from which dividends will absorb £782,000 (£700,000).

Irish Distillers up 4.4%

AN INCREASE of 4.4 per cent from I£4.45m to I£4.65m in pre-tax profits is reported by Irish Distillers Group for the half-year to March 31 1983. Turnover fell, however, from £76.25m to £71.13m, and trading profits were slightly lower at £7.66m compared with £7.95m.

The net interim dividend is raised from 1.1p to 1.5p in line with the commitment made at the time of the one-for-four rights issue made in March. Last year a total of 5p was paid from pre-tax profits of £7.64m (£5.45m).

Mr M. J. Killeen, who took over from Mr F. J. O'Reilly as chairman in February, confirms that the rights issue was fully subscribed and the net proceeds of £9.95m were received by the group during April.

Pre-tax profits were after interest charges down from £2.47m to £1.93m and depreciation higher at £1.09m (£1.04m). Tax was £254,000 (£52,000), but Mr Killeen points out that ACT amounting to £236,000 has been provided for in accordance with the terms of the Finance Bill now before Dail Eirann.

Stated earnings per 25p share edged ahead at 9.55p (9.53p).

BIDS AND DEALS

Extel raises Benn offer to £15.3m

BY CHARLES BATCHELOR

Extel, the sporting and financial news agency group, yesterday raised its bid for the ordinary shares of business magazines publisher Benn Brothers to £15.3m.

United Newspapers, whose own revised bid for Benn is now worth £13.7m, appeared yesterday to be unwilling to return with a third and higher offer.

Extel has the backing of the Benn board for its share bid, which has a cash alternative, and has undertakings from Benn directors and other shareholders owning 19.24 per cent to accept its offer.

It is offering 74 of its own shares for every 100 Benn ordinary shares. This was worth 228p per Benn share following a 2p fall in Extel's share price to 308p yesterday.

Extel is now also offered a cash alternative worth 207.9p per share to match United's cash offer.

United's share price rose 2p yesterday to 240p, valuing its ordinary offer at 204p per share or £13.7m.

Mr David Stevens, United chairman, said: "Perhaps they know something about the business which I do not. What puzzles me is that Extel know nothing about running magazines.

"We both know Benn's profit record which we believe we can improve and yet Extel say they can improve that and leave the management in place. We have made no decision about the management, but it would appear the management needs considerable strengthening.

"On the face of it, it does appear that Benn is over-priced," he added.

Benn shareholders who accept will be entitled to Extel's recommended final 7.5p dividend for the year ended March 31. If the offer is fully taken up Extel will issue about 4.9m new shares or 28 per cent of its enlarged equity.

Extel has also made an offer of one new 10½ per cent cumulative £1 preference share for each 10 per cent £1 Benn preference share.

Extel and Benn believe they will benefit from pooling their research into new publishing technology enabling them to exploit more effectively Benn's statistical data.

Benn's shares rose 27p yesterday to 230p.

Westminster fears concert party buying

BY DAVID DODWELL

Westminster Properties has passed on to the Takeover Panel details of a mysterious spate of share buying over the past two weeks which they say may amount to a concert party linked to Mr Jim Raper, the controversial businessman who has built up a 29.99 per cent stake in Westminster since February.

Mr Patrick Ravenhill, chairman of Westminster, told shareholders at the company's annual meeting on Tuesday that two new stakes—amounting to almost 10 per cent of Westminster's issued share capital—had been revealed in the past two weeks.

"The board is not satisfied as to the circumstances surrounding the acquisition of these two holdings of shares and intends to pursue its efforts to establish whether any concert parties are in existence."

The inquiry comes as Mr Raper is making a determined bid to establish a boardroom presence in Westminster through St Piran Holdings, the mining and house-building company which is wholly-owned by Mr Raper's Gasco Holdings of Hong Kong.

Following Mr Raper's takeover of St Piran, the Takeover Panel criticised him as "a man unfit to be a director of a public company" and forbade any stockbrokers from having business dealings with him.

At the same time, the Department of Trade reported: "Raper's fundamental operating policy is to control companies with less than a majority shareholding, but with his nominees forming the majorities of their boards."

Both the West minster board, and the Takeover panel, have been concerned to discover whether Mr Raper, who through St Piran owns "less than a majority shareholding" in Westminster, aims to achieve such control over the property company.

One of the two new stakes causing concern belongs to Raydell Corporation, an off-the-shelf company based in Miami, set up on March 28. Its president and only shareholder is Mr Terence Eugene Furey.

Raydell refused to provide information on its purchases until last Friday, when a court disenfranchised the holding, which amounts to just under 5 per cent.

In an unsworn affidavit later filed—and on the basis of which the disenfranchisement was lifted—Mr Furey disclosed that he had been a shareholder in St Piran and had "made a good profit on the investment."

Mr Furey said he had met Mr Raper socially in Switzerland. He added that he had bought a 19,400 share stake in Westminster using the same post office in Geneva as is used by Mr Raper's solicitors in Switzerland, Hancock and Willis.

Why a Miami-based company should have used a Geneva post office—and one so closely linked to Mr Raper's solicitors—is unclear, Westminster says. This is one of the reasons why Westminster is not satisfied about the circumstances in which the stake was acquired. Mr Raper yesterday could not recall meeting Mr Furey.

A second stake causing concern is that bought recently outside the market by Mr Stuart Withers from Swiss Bank London Office Nominees amounting to 934,000 shares. This stake was disenfranchised in a London court on Monday following a failure by Mr Withers and the Swiss company to provide information to which Westminster is entitled.

An appeal was rejected on Tuesday, with the judge referring to "surprising aspects" linked with Mr Withers' purchase of the shares.

Mr Withers last week bought a second stake, amounting to 420,000 shares, through stockbrokers Henry Cooke Lumsden.

Westminster is also looking into the status of a number of smaller shareholdings — ranging from 10,000 to 100,000 shares.

The Takeover Panel said yesterday that it was looking at the information put before it by Westminster. It would make no comment until it had been able to interview all of the people concerned, a spokesman said.

Mr Raper said from his Gasco office: "I don't know anything about the two parties Westminster refers to, and at this stage, without knowing more, there is not a lot I can say, except that no concert party exists or has existed involving either St. Piran or myself."

LEISURE INDUSTRIES

Acceptances to the offer by Riley Leisure have been received in respect of 1.71m new Leisure Industries ordinary shares and the same number of deferred shares. Riley held no ordinary shares before March 28 and has not acquired any shares since then. Acceptances have been received in respect of 85.6 per cent of the issued ordinary share capital. Ordinary offers have therefore been declared unconditional as to acceptances.

Under the ordinary cash alternative acceptors have elected to receive cash in respect of 857,810 shares and the cash alternative has now closed.

No acceptances have been received in respect of the offer for preference shares, which has been extended until May 31 when it will close. The preference cash alternative has closed.

CHARTERHALL

Charterhall has completed the acquisition of the outstanding 25 per cent of General Oil. As a result, Sylvian Holdings, the vendor, is the holder of 4.6 per cent of Charterhall's issued capital.

Prudential SA makes share offer worth £15m

The Prudential Assurance Company of South Africa (PACSA) is to offer 32.3 per cent of its equity — 10m shares — on the Johannesburg stock exchange at 250 cents a share. The offer is worth R25m (£14.8m).

The announcement, which was forecast earlier this week was made yesterday by Mr Brian Corby, chief executive of the Prudential Assurance Company, which owns 97 per cent of PACSA.

"The sale of a portion of PACSA should not be misinterpreted," said Mr Corby. "We are not pulling out of South Africa and it is not in our interests to reduce our shareholding below the level it will be after the issue."

PACSA is the third biggest proprietary life office in the Republic (after Liberty Life and Anglo American Life), with assets of R1.1bn.

PACSA's 37.5 per cent stake in the short term insurance operation Phoenix Prudential has been sold to the UK-based Prudential for R2.25m, thus leaving PACSA to concentrate on life assurance.

Mr Dorian Wharton-Hood, the PACSA managing director, said that Prudential was reinforcing the domestication process which began in 1977 when the company was formed as a wholly-owned subsidiary of Prudential. "By going public we will further confirm our identity as a thoroughly South African institution. As a quoted South African company we will have a higher profile and will be able to create greater awareness of our service and performance as a South African office."

The offer—which closes on June 3—makes shares available after a one-for-two scrip issue increasing the share capital to 31.5m shares.

Christies Intnl.

Mr J. A. Floyd, the chairman of Christies International, told the AGM that worldwide sales to the end of April were some 17 per cent over the comparable period last year and that he expected interim results to show a significant increase over the first half of 1982.

Sun Alliance

Shareholders of Sun Alliance and London Insurance were told at the AGM that the group had achieved a satisfactory growth in investment income in the first quarter of 1983, and overall, in contrast to 1982, the directors estimate that there was a profit for the period.

Tilling prepares defence as BTR builds up stake

BY RAY MAUGHAN

BTR yesterday began to build its market position in Thomas Tilling following its higher, and final, offer for the industrial conglomerate.

The defence at the same time attempted to reinforce the credibility of the 1983 profits forecast, which it used to fend BTR off during the first round of bidding, and to prepare the ground for its opposition to the new £660m bid.

The bidder confirmed that it had acquired 24m Tilling shares on Tuesday this week and held 22.1 per cent by the close of market trading that day. It went into the market again yesterday, although the amount of stock on offer was substantially restricted and the response was slight.

Tilling shares closed at 230p last night, which is fractionally above the level of the cash offer, plus Tilling's final dividend, but BTR's own shares put on 10p to 422p which implies an equity bid value of 232p.

Morgan Grenfell, acting for BTR, told shareholders pondering acceptance that the bidder will not be able, under Rules 22 and 34 of the City Code, to stay in the market and buy above 30 per cent after next Wednesday, unless it has already reached that level by that day.

The message from the merchant bank was that BTR may be obliged to withdraw from the market shortly and to cease purchasing shares. Those wishing to sell Tilling for cash settlement on the same terms available under the 225p per share cash offer were advised to do so as soon as possible.

Tilling advised its own shareholders that its £95m profit forecast this year had been soundly based. Sir Patrick Meaney, the chief executive of Tilling, said that "half of the £51m increase in profit before tax forecast for 1983 can be attributed to the elimination of adverse factors which applied in 1982 and the effect of a full annual contribution from acquisitions made during that year.

"The remainder of the increase," Sir Patrick went on, "is clearly achievable in the light of the upturn in activity and improvement in margins which is already taking place in most of our businesses."

Specifically, NWS Supply, the U.S. energy equipment business which caused most of Tilling's shortfall last year, "is expected to recover during the year although not sufficiently to make an overall contribution to profit in 1983."

That statement was, however, used to consolidate the position Tilling had gained during the first stage of the bid but, now that BTR's final offer is out in the open, the defence was preparing to look further ahead.

The detailed response to the second and final round will contain "an encouraging statement" of the outlook for next year and the prospects for a further dividend increase. But the core of the defence still rests on the value of the individual businesses.

Any two of these five major activities, Tilling shareholders are reminded, have a combined value of at least half the value of BTR's bid. Tilling is going to put some detailed figures on the separate companies when it replies in detail and will outline a financial restructuring of certain UK and U.S. interests.

Candecca completes board moves

BY CHARLES BATCHELOR

Candecca Resources, the USM-quoted oil and gas group, has completed the reconstruction of its board of directors with the appointment of Mr Peter Elwes, a director of merchant bankers Kleinwort Benson, as its second independent director.

Sceptre Resources, a Canadian exploration group, unexpectedly increased its holding in Candecca in December 1982 from 39 to 41 per cent and replaced its British managing director, Mr David Hooker, with its own nominee, Mr Peter Carter. This prompted a revolt by the British directors.

In March, Sceptre and Candecca agreed that Candecca's board should consist of four British directors, four associated with Sceptre and two independent directors, one of whom would become chairman.

Mr Geoffrey Butcher, Candecca chairman and a former director of BP Trading, said the new board had been almost complete and functioning smoothly for several weeks.

"We had a board meeting in April which went extremely well," he said. "We have a finance plan agreed for the next two years. There will be no change in our strategy although the upgrading of our substantial onshore UK acreage means we will be less interested in doing farm-outs."

The 10 per cent stake in Candecca recently disposed of by Tarmac, the quarrying and civil engineering group, had been readily taken up by about 12 institutions, he added.

Global plans shift to U.S.

Global Natural Resources, oil and gas exploration company, is proposing to shift its corporate domicile from Jersey in the Channel Islands to the U.S.

The company, which has most of its operations in the U.S., said yesterday that the planned move is designed to simplify administration and avoid some of the "duplicative and costly regulation" to which it was now subject.

Along with the change of domicile, the company wants to exchange outstanding shares for registered shares in a newly-formed New Jersey corporation, to be called Global Natural Resources Incorporated.

This change is aimed at eliminating the brearer shares held by Global shareholders, which make it expensive and time consuming to make contact with them.

Global is one of a tiny group of companies in the U.S. which have bearer shares. The absence of a share register meant that during a nine-month legal battle for control of the company, which ended in December last year, Global paid out $5.68m in litigation and the cost of circulating shareholders spread across an estimated 170 countries. This extraordinary cost was a major contributor in a $14.06m net loss for the nine months to September 30.

A shareholders' meeting has been convened in the Channel Islands on June 27 to consider the changes.

COMPANY NEWS

Comtech issue leaves underwriters with 54%

BY DOMINIC LAWSON

SHARE ISSUES by Combined Technology Corporation, and its recently demerged subsidiary Mnemos, have both met with disappointing responses.

The rights issue of 12.45m new shares in Comtech at 42p each was taken up to the extent of 46 per cent of the issue. The rest of the issue has been allocated to the underwriters.

The issue of 12.45m new shares of Mnemos at 65p to the existing ordinary shareholders of Comtech met with a 55 per cent take-up. Again, the remainder of the issue has been allotted to the underwriters. In addition, 3m new ordinary shares of Mnemos have been allotted to certain institutional investors.

Mnemos, which is now quoted on the Unlisted Securities Market, has developed a new system of information distribution and retrieval. So far, Mnemos has not taken any orders, although discussions have been taking place with potential buyers for about two years.

Mr Peter Moody, a director of both Comtech and Mnemos said yesterday: "It would be silly to say that we are not disappointed by the City's response. We had hoped that Mnemos could have announced its first contract before the offer closed."

Mr Moody added that it would be wrong to speculate any further about when the first order would finally arrive, but he said: "We are talking to an awful lot of people."

Yesterday Comtech shares fell 1½p to 38½p, while Mnemos shares slipped a couple of pence to 62p. Comtech retains a 63 per cent stake in Mnemos.

BOARD MEETINGS

TODAY

Interims: Construction Holdings, Higsons Brewery, Polly Peck, Redman Heenan International, Stenhouse.

Finals: C. E. Heath, Land Securities, London Atlantic Investment Trust, London Trust, Ropner, Selincourt, TR Natural Resources Investment Trust, Whitbread Investment.

FUTURE DATES

Interims—	
Cosalt	May 23
Messina	June 3
Finals—	
Deelkraal Gold Mining	June 7
Doornfontein Gold Mining	June 7
Driefontein Consolidated	June 7
Elliott (B.)	June 9
Fidelity Radio	May 26
Kloof Gold Mining	June 7
Libanon Gold Mining	June 7
M & G Second Dual Trust	May 25
Merrydown Wine	May 25
Minster Assets	May 25
Sainsbury (J.)	May 24
Transparent Paper	May 31
Venterspost Gold Mining	June 7
Vlakfontein Gold Mining	June 7

Yearlings total £22.3m

Yearling bonds totalling £22.3m at 10¼ per cent redeemable on May 23 1984 have been issued this week by the following local authorities.

Aylesbury Vale District Council £0.5m; Hackney (London Borough of) £2.5m; Middlesborough (Borough of) £0.5m; Warrington Borough Council £0.5m; Worthing BC £0.25m; Pendle (Borough of) £0.5m; Blaenau Gwent (Borough of) £0.55m; Cumbernauld and Kilsyth DC £0.5m; Gateshead (Borough Council of) £0.25m; Kingston upon Hull (City of) £1m; Lancaster City Council £0.75m; Newham (London Borough of) £0.75m; Preseli DC £0.25m; Tamworth (Borough of) £0.25m; Swansea (City of) £1m; Lambeth (London Borough of) £0.5m; Grampian Regional Council £2m; Ashford BC £0.5m; Derwentside DC £0.25m; North Tyneside Metropolitan BC £1.5m; North Warwickshire BC £0.25m; Slough (Borough of) £0.5m; Tonbridge and Malling DC £0.25m; Warrington BC £0.5m; West Wiltshire DC £0.5m; Bedfordshire County Council £0.5m; Cotswold DC £0.25m; Hartlepool BC £0.75m; Merseyside Passenger Transport Executive £1m; Sheffield (City of) £2m; Southwark (London Borough of) £1m.

Sedgefield DC has issued £0.5m of 11 per cent bonds at par for redemption on May 15 1985.

MINING NEWS

S. African coal exports feeling the pinch

BY KENNETH MARSTON, MINING EDITOR

MODEST increases in earnings for the March quarter are reported by the South African Gencor group's coal producers, Trans-Natal Coal and Clydesdale (Transvaal) Collieries. Both, however, comment on the difficult export market.

Earnings for the first nine months of the current financial year to June 30 are keeping up well, those of Trans-Natal having been maintained at 60 cents per share, ent income for the latest period being R32.1m (£19m).

Clydesdale's nine-months earnings amount to R8.73m against R7.87m in the same period of the previous year and the total for the current year is expected to be "close to" that for 1981-1982. But the company says that income from its New Clydesdale colliery continues to be below expectations because of a decline in both domestic and etxport demand.

Trans-Natal has increased earnings for the March quarter over those for the previous three months thanks to slightly higher revenue from certain export sales and, more importantly, to currency gains realised from forward exchange contracts.

However, lower profits are expected for the current quarter as a result of reduced export revenue and also lower sales in the domestic market. In the annual report last October, Mr S. P. Ellis, the chairman, said that the softening in export coal prices was likely to last for at least another year.

He commented that South African coal export prices were more under pressure from South African sources attempting to place coal overseas than from competition from foreign coal producers. Ironically, the company's export expansion programme was expected to start making its impact on earnings in the year to June 30 1984.

Presumably, this programme will still bring extra benefits, but the fact that the low-cost South African mines are feeling the pinch in export markets underlines the extent of the surplus capacity overhanging the markets for coal.

Gold venture report encouraging

THE latest drilling report from the Eastern Goldfields region of Western Australia, near the Golden Mile at Kalgoorlie, confirms recent indications that the Occidental/Black Hill Minerals joint venture could be the first to bring a gold mine into production.

The report, compiled by Black Hill from information supplied by Occidental as operator, says that a development proposal for three open-pit operations in the area explored so far should be completed by the end of the year.

This proposal depends largely on decisions to be taken by the partners on optimum plant size. The area could be in production quite quickly if a lower throughput, perhaps 500,000 tonnes of ore a year, is chosen, but they may well decide to wait until they have proved up enough ore for an operation of twice that size.

In that case, the Harbour Lights area of Carr Boyd Minerals and Esso would probably be the first mine into production.

The report stresses the good progress made by Occidental in examining the deposit, but points out that analytical results are not yet complete and more drilling is required in some areas. Consequently, the report does not include any calculation of the possible size of the ore reserves.

Grades on the highly promising Mystery Zone range between 3.5 grammes of gold per tonne and 23.8 grammes, with a small width yielding an extraordinary 68.3 grammes, while the Union Club zone showed grades ranging from 3.4 grammes to 9 grammes, with a similar narrow width showing 15 grammes.

Most of the work done in the last quarter has involved infill drilling to define shallow reserves amenable to open-pit mining, to a depth of perhaps 100 metres.

These efforts have been supplemented by diamond drilling to greater depths to test non-oxidised material. Black Hill said yesterday that the work again confirms the regularity and continuity of the mineralisation, as indicated by earlier tests.

Inco's new gold mine

CANADA'S Inco nickel giant and Queenston Gold Mines have now received government approvals for the immediate joint development of a small open-pit gold mine near Kirkland Lake in Ontario. The venture is supported by the Canada-Ontario Employment Development and the Mining Sector Work programmes, both of which are funded by the provincial and federal governments.

Named McBean, the new mine has estimated ore reserves of 550,000 tons grading an average 0.15 oz (4.7 grammes) gold per ton. Other reserves are indicated outside the open-pit area.

'is proposed to rehabilitate the former Upper Canada mill, about a mile away, to provide a capacity of 500 tons of ore a day. The project is expected to be fully operational in 1984.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1982							
2nd qtr.	101.0	88.9	89	106.8	145.1	2,743	107
3rd qtr.	101.6	88.2	84	108.9	150.7	2,837	111
4th qtr.	101.4	87.4	88	110.7	184.5	2,913	115
September	101.8	88.4	85	109.3	149.9	2,866	107
October	101.7	87.7	96	109.3	158.6	2,885	114
November	100.3	86.8	82	110.0	171.5	2,906	114
December	102.3	87.7	87	112.2	215.5	2,949	118
1983							
1st qtr.	102.9	88.8		111.1	153.1	3,003	124
January	102.5	89.8	84	110.1	154.7	2,983	122
February	103.5	88.5		111.1	148.9	3,001	124
March	102.6	88.3		111.9	155.1	3,026	126
April				112.0		3,021	135

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
1st qtr.	92.4	90.7	121.1	86.1	81.2	74.3	14.7
2nd qtr.	91.9	91.5	122.0	86.4	77.9	72.8	17.5
3rd qtr.	91.4	91.1	122.6	86.3	72.5	71.3	17.1
4th qtr.	92.5	89.4	122.0	85.3	69.3	71.6	14.9
September	92.0	91.0	123.0	87.0	73.0	74.0	19.0
October	93.0	89.0	123.0	85.0	72.0	73.0	15.5
November	91.0	90.0	120.0	85.0	68.0	68.0	17.1
December	94.0	89.0	124.0	86.0	69.0	74.0	12.1
1983							
January	94.0	90.0	123.0	86.0	79.0	70.0	15.5
February	93.0	91.0	127.0	86.0	75.0	70.0	18.1
March	92.0	90.0	124.0	86.0	76.0	72.0	19.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
2nd qtr.	131.4	130.2	+123	+803	+858	101.3	17.70
3rd qtr.	125.1	123.7	+609	+847	+1,313	100.5	18.30
4th qtr.	131.4	124.0	+1,262	+1,709	+1,736	99.3	17.00
September	130.7	126.1	+325	+404	+390	99.7	18.30
October	126.8	125.8	+215	+364	+501	98.8	18.50
November	132.4	122.5	+539	+688	+543	99.4	18.00
December	135.0	123.8	+508	+657	+692	99.7	17.00
1983							
1st qtr.	130.0	132.1	−253	+287	+1,718	98.6	17.34
January	121.0	134.1	−491	−311	+510	98.8	16.85
February	130.2	134.6	−138	+ 42	+604	99.1	16.58
March	138.6	127.6	+376	+556	+604	98.1	17.34
April							17.66

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1982							
1st qtr.				+3,194	987	2,157	
2nd qtr.	2.1	8.2	26.2	+4,535	1,344	2,210	
3rd qtr.	15.2	12.6	28.3	+4,829	1,796	2,396	
4th qtr.	19.0	13.3	26.9	+5,032	2,139	2,548	
August	17.5	12.3	26.6	+2,020	437	853	
September	14.2	14.0	28.8	+1,430	668	840	
October	24.0	18.2	32.4	+2,814	886	808	
November	17.4	12.2	25.4	+1,121	763	866	
December	15.9	9.8	23.2	+1,073	490	874	
1983							
1st qtr.	8.8	5.6	10.6	+3,119	1,174	2,583	
January	7.6	4.2	6.7	+909	391	881	
February	9.9	5.2	13.0	+873	386	818	
March	9.1	6.9	11.8	+1,337	397	884	
April					433		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.	227.8	244.9	242.0	323.0	297.0	228.88	91.4
4th qtr.	231.3	251.9	246.8	325.4	298.5	238.84	89.2
September	226.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.9	245.1	324.5	296.5	227.18	92.5
November	232.2	252.9	246.5	326.1	298.8	228.55	89.5
December	233.8	255.8	248.8	325.5	300.1	238.84	85.6
1983							
1st qtr.	235.8	258.7	251.3	327.0	302.1	277.29	80.6
January	232.4	261.1	250.1	325.9	301.8	255.45	81.9
February	237.1	257.0	251.2	327.3	302.1	256.25	80.7
March	237.8	257.5	252.4	327.9	302.4	277.29	79.1
April		253.9	254.3			274.56	82.8

* Not seasonally adjusted.

APPOINTMENTS

New chairman for Kleinwort, Benson

Mr R. A. Henderson (chairman), Mr J. A. Caldecott (vice-chairman) and Mr W. H. Conroy have retired from the board of KLEINWORT, BENSON. Mr Henderson continues as chairman of the holding company, Kleinwort, Benson, Lonsdale, and Mr Caldecott also remains a director of that company. Mr M. J. Hawkes succeeds Mr Henderson as chairman of Kleinwort, Benson, and the Earl of Limerick has been appointed a vice-chairman.

★

Mr D. H. Gordon and Mr P. W. C. Lomax will be joining the partnership of VIVIAN GRAY AND CO., stockbrokers, on May 23.

★

Mr John R. T. H. Hughes has been appointed managing director of MAIL MARKETING (BRISTOL). Mrs V. M. Hughes, previous managing director, remains chairman.

★

Mr G. Arthur has been appointed to the board of BRITISH BENZOL CARBONISING as finance director. He continues as secretary of the company.

★

Mr David Dell has been promoted to deputy secretary in the DEPARTMENT OF TRADE. He will succeed Mr P. A. R. Brown next month as the deputy secretary responsible for the Patent Office, the insolvency service, insurance division and companies legislation division in the department. Mr Brown has resigned to become an adviser to the council of Lloyd's.

★

Mr Peter Winfield has been appointed to the board of GEE, WALKER & SLATER. He will continue as general manager of the Derby-based company, part of the Wiggins Group.

★

Mr John Scott, a director of Fisons scientific equipment division, has been appointed general manager of GRIFFIN & GEORGE, the division's supplier of science and technology equipment to teaching establishments. He was formerly general manager of MSE, a sister company of Griffin & George.

★

Mr Bruce Chivers has been elected president for 1983/84 of the NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS. He succeeds Mr Malcolm Fordy. Mr Chivers is chairman of W. E. Chivers & Sons, Devizes. Mr Michael Millwood, a director of John Laing, becomes senior vice-president, and the junior vice-president is Mr John Turner of E. Turner & Sons, Cardiff.

★

Hogg Robinson Group chairman

Mr Morris Abbott will be retiring from the chairmanship of the HOGG ROBINSON GROUP in September. He will be succeeded by Mr Albert J. Wheway, and Mr Christopher J. S. Price, currently managing director, will become chief executive.

★

Mr A. R. Moody, chairman, Mr G. J. E. Dixon, Mr T. A. Webb, chief executive, and Mr R. S. C. Bedforth, financial director and secretary, have joined the board of SOUTHAMPTON INTERNATIONAL BOAT SHOW.

★

Just 12 months after being appointed a director of TARMAC'S properties division, Mr Tony Collins has stepped up to the role of chief executive. He joined the division as a development surveyor 11 years ago. Before being appointed to the board of Tarmac properties division, Mr Collins was managing director of John McLean Associates, one of the division's key subsidiaries.

★

A former member of the diplomatic service, Sir Michael Scott has been appointed Secretary-general of the ROYAL COMMONWEALTH SOCIETY for a five-year term from June 13.

★

Mr Michael Ridout and Mr John Hill, managing director and finance director of Braby Leslie have joined the board of ANGLO NORDIC HOLDINGS. Mr Angus Murray, a director and company secretary of Braby Leslie has become company secretary of Anglo Nordic Holdings.

★

Mr Allan McPherson has been appointed managing director of MORTON'S (BRS) following the retirement of Mr Eric Shortland. Mr McPherson is also managing director of Midlands BRS, a position he will retain.

★

BATH AND PORTLAND GROUP has appointed Mr Stuart Reid as managing director of KDG Instruments and to the boards of SPT Machines and Curwen & Newbery. Mr L. R. Pullen continues as chairman of these companies.

★

Mr Alan V. Dodman has been appointed managing director of READICUT INTERNATIONAL and Mr Clive M. Shaw has been appointed to the board.

★

Mr J. A. W. Moir will become head of finance at LLOYDS on July 1. He is currently managing partner of Arthur Andersen and Co, Canada. He has worked on a number of assignments in the Lloyd's community, notably with large Lloyd's brokers. In 1975 he moved to Scotland where he became the managing partner of Arthur Andersen's Glasgow office leaving there for Canada in 1981. Mr Moir has served on a number of professional committees and has been heavily involved in the activities of the Institute of Chartered Accountants of Scotland. He was chairman of a task force to study the future of the accountancy profession in the UK.

★

Mr C. A. Barnes has been appointed vice-president and general manager of the London regional office of the BANK OF NOVA SCOTIA with responsibility for Europe, the Middle East and Africa. He replaces Mr L. L. Fox, who returns to Canada as senior vice-president.

★

Following Boral's acquisition in Australia of BMI, a reconstruction of the board's BMI's UK subsidiaries has been completed. The group will be controlled by a holding company, BORAL (UK) and will bring together the subsidiaries operating in the UK. The Earl of Halifax becomes non-executive chairman of the newly-constituted board which will in addition comprise Sir Peter Finley and Sir Eric Neal, chairman and managing director respectively, of Boral and will include Mr G. Beetles, Mr I. Mills, Mr B. W. S. Nuttall, Mr L. Teeman, Mr P. M. Threlfall and Mr J. M. Ward. The chairman of the operating companies will be Sir Eric Neal, with Mr Teeman, deputy chairman and chief executive. The managing directors of the various operating companies will be Mr Nuttall, The Clay Cross Co.; Mr Beetles, Communications and Control Engineering Co.; and Mr Mills, Pozzolanic and Lytag. Mr R. H. Baguley will be group secretary. The appointments are from July 1.

CONTRACTS

Molins wins £5m orders from Thailand

MOLINS has won contracts worth nearly £5m from the Thailand Tobacco Monopoly for 10 Mark 9-5 cigarette making combinations, including inspection and handling equipment, and eight soft packer machines with tray unloaders. The machines, destined for several factories, are scheduled for delivery later this year and installation will start early in 1984.

★

Extensions to the Manchester Crown Court building in Wood Street are to be carried out by HENRY BOOT BUILDING. This £6.6m contract, is for a two to four-storey reinforced concrete extension to house seven Crown Courts and two County Courts, and alterations to the existing building. The scheme will take three years to complete.

★

Contracts totalling £4.5m have been won by ERNEST IRELAND CONSTRUCTION, Bath-based member of the Mowlem group. Work includes a £1.9m warehouse extension for Tesco at Westbury, Wiltshire, A £675,000 contract from the Property Services Agency for the construction of junior ranks' accommodation at RAF Lyneham, in Wiltshire. Restoration and repairs to Chandos House, one of the oldest buildings in Bath, designed by John Wood the elder, to become living accommodation for elderly people under a £260,000 contract for the Municipal Charities of Bath. And at Bathford, the company is undertaking extensive rebuilding work at a pulp store for Portals (Bathford), manufacturer of bank note paper, for £233,000.

★

The £3.1m headquarters of the South West Water Authority will be designed and built by CONDER SOUTHERN. The 7,800 sq metres two-storey office complex in Exeter, accommodating over 400 employees, will be built in just over a year, starting in July.

★

TURRIFF CONSTRUCTION has been awarded six contracts with a total value of about £5m: three-storey steel framed extension to the library in Cowgate, Edinburgh, for the Property Services Agency (£600,000); thermal insulation of 156 flats in Rochdale (£212,000); improvement to 214 homes in Walsall (£1.5m); improvement to 213 dwelling in Walsall (£1.4m); conversion of a two-storey block into 18 flats for Hanover (Scotland) Housing Association (£250,000); revitalisation of 79 homes at Thornley, County Durham, for Easington District Council (£450,000).

★

V.W. has been awarded a £750,000 contract to supply sheet metal for an order worth initially £2m won by Qualitair, for supplying air conditoning unit components and technical support to the Saudi Arabian Ministery of the Interior for its Security Forces' housing project. First shipments are scheduled for July.

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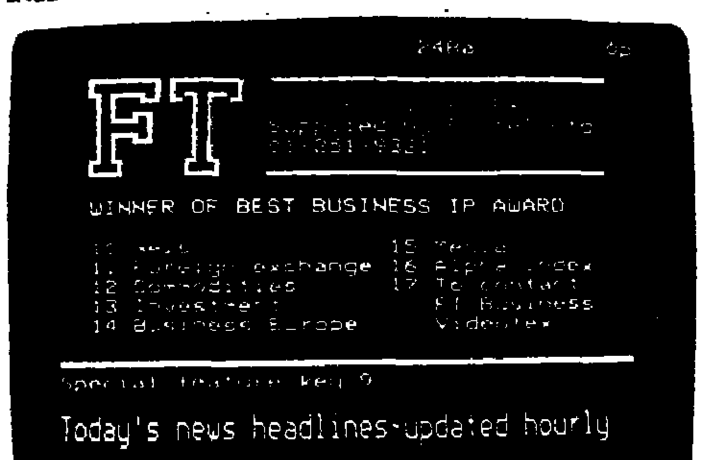

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the name and number to remember from now on...

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Accum May 12	70.0	74.6		3.00

Bridge Fund Managers (a)(c)
Regis Hse, King William St., EC4 01-623 4951

Amer. Gen †	59.9	64.5		0.99
Income*	72.2	77.7xd		5.72
Capital Inc.‡	82.0	88.3xd	−0.8	2.22
Do Acc ‡	102.4	110.2	−0.8	2.22
Exempt‡	177.0	191.0	−1.0	3.66
Intl Recovery Inc.‡	35.6	38.3xd	−0.1	2.23
Do Acc.‡	49.5	49.9	−0.2	2.23

Dealing *Tues. ‡Wed. †Thur. Prices May 17/18/19.

Crown Unit Trust Services Ltd.
Crown Life Hse, Woking GU21 1XW. 04862 24933

Crown High Inc. Trust	116.4	125.2	+0.9	6.63
Crown Growth Trust	110.8	119.1	+1.2	4.20

Dartington Unit Trust Mngt. Ltd.
Dartington, Totnes, Devon TQ9 6JE. 0803 862271

Total Perf Unit Tst.	28.0	31.1xd		3.32

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc Inc May 6	338.9	361.4xd		3.99

For Dunbar see Oppenheimer Fund Management

(Accum. Units)	251.8	265.1		0.81
European May 18	162.9	170.0	−0.3	1.46
(Accum. Units)	193.4	201.6	−0.4	1.46

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3V 3LS 01-638 2020
Continued above Mon-Fri and Stock Exchange Dealing Page Sat.

Do. (Accum.)	138.9	149.3	0.47
N. American & Gen.	80.9	86.9	0.36
Do. (Accum.)	84.1	90.4	0.36
Pacific Basin	63.0	67.7	0.40
Do. (Accum.)	64.6	69.4	0.40
Small Cos. & Recy	94.8	101.9xd	1.80
Do. (Accum.)	101.9	109.5	1.80
Worldwide Gwth.	126.3	135.8	1.27
Do. (Accum.)	172.2	185.1	1.27

Murray European	76.5	82.2		1.40
Murray Smaller Cos.	96.9	105.1xd		1.85

Next dealing Fri.

National Provident Inv. Mngrs. Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200

NPI Gth. Un. Tst.	92.9	98.9xd	+0.9	3.9
(Accum. Units)	139.8	148.8	+1.4	3.9
NPI O'seas Trust	288.1	304.9	+1.7	0.90
(Accum. Units)	337.2	356.9	+1.9	0.90

High-Yield	73.0	78.5	+0.7	6.43
Scotyield	70.0	75.3	+1.0	5.94
Smaller Cos. Inc. Fd.	85.6	92.1		5.62
Gilt & Fxd. Int. Inc.	53.6	56.5	+0.1	11.02
High Return	84.1	90.5	+0.8	7.01
Income	53.6	57.6	+0.3	7.75

U.K. Funds

Gilt & Fxd. Int. Grth.	66.5	67.2	+0.1	3.75
Scotshares	99.8	107.8	+0.3	4.74
UK Equity	90.7	98.0	+0.7	2.92

Transatlantic and Gen. Secs. (c) (y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican May 12	128.3	136.4		4.97
(Accum. Units)	240.9	255.9		4.97
Colemco May 13	245.2	259.7		4.54
(Accum. Units)	367.6	389.3		4.54
Fielding Fd May 12	127.9	138.1		3.59
(Accum. Units)	131.8	142.4		3.59
Fielding Int May 12	165.9	176.4		1.82
(Accum. Units)	180.9	192.4		1.82
S & W Amer May 18	98.8	102.5		2.00

Do. Initial	181.4	191.0	+0.1	—
America Accum.	119.9	126.3	−0.4	—
Do. Initial	117.6	123.8	−0.4	—
Australia Accum.	114.6	120.7	+0.8	—
Do. Initial	113.2	119.2	+0.8	—
Financial Accum.	111.8	117.7	+0.3	—
Do. Initial	109.7	115.5	+0.3	—
"500" Accum.	107.6	113.3	+0.4	—
Do. Initial	105.8	111.4	+0.4	—
Greatr. Pac. Accum.	128.3	135.1	+0.9	—
Do. Initial	125.4	132.0	+0.8	—

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Equity & Law Un Tst Mngs (a) (b) (c)
Amersham Rd. High Wycombe. 0494 33377

Euro Tst Acc	57.2	61.5		1.80

Robert Fleming & Co Ltd
8 Crosby Square. EC3A 6AN. 01-283 2400

AmExFd*	£255.58	281.20	0.67
JpExFd*	£133.37	137.65	1.30

Next subscription day April 18 1983.
*Fleming American Property Unit Trust.
Latest issue price (15 5) US$10.519.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust.
Latest issue price (25 3) £2 067.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mgrs Ltd (a)
Royal Exchage EC3V 3LS. 01-638 2020

(b)GREGtFI	112.7	117.1	+0.2	9.85
(g)GRENAmT	93.7	100.8	−0.5	2.48
(g)GREPacTst	94.7	101.9	+0.1	1.21
(b)GrdhilTst	175.3	181.6	+2.5	3.29
(b)GRESmCos	94.8	101.1	+0.1	1.54

Hexagon Services Ltd
4 Gt St Helens. London EC4P 3EP. 0708 45322

AustFrsGw	108.0	113.7	2.02

Brewin Cap	74.1	78.0	−1.2	1.30
Brewin Gt Inc	69.2	72.9	−0.6	3.68
CanGwthFd	90.7	97.6	−1.1	1.16

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq. Edinbgh 2. 031-225 6001

Aust & Pac	7.9	8.4	+0.1	0.69
High Yield‡	19.0	20.5	....	10.00
Do Accum ‡	19.7	21.2	..	—

*Dealing Thurs. ‡ Dealing Fri.

MGM Unit Managers Ltd
MGM House. Heene Road. Worthing. 01-623 8211

High Inc	118.6	127.5	+0.6	6.46
(Accum Uts)	120.2	129.3	+0.5	6.48
UK Growth	112.2	120.6	+0.5	3.69
Accum Uts	112.4	120.9	+0.5	3.69

MLA Unit Trust Management Ltd
Old Queen Street SW1A 9JG. 01-222 8576

MLA Units	168.6	177.0	.	2.82
MLA Int	24.7	25.9	..	1.00

The Money Market Trust
63 On Victoria St. EC4N 4ST. 01-237 0952

Call Fund	—	—	10.15
7 Day Fund	—	—	10.06

*Unauthorised—Sterling Deposit Fund.

Offshore and Overseas—continued

Actibonds Investment Fund SA
37, rue Notre Dame. Luxembrg. Tel. 47971

Actibonds Inv	$19.89	−0.15	—

Bamford Brandt Guernsey Mngt Ltd
PO Box 71 St Peter Port. Guernsey 0481 26541

Tech & Comms	—	£10.00	—

CAL Investments (IoM) Ltd
16 St Georges St Douglas IoM. 0624 25031

CALCMaC	0.949	0.999	—
CALMetals	0.926	0.975	—

Dealing days every Monday.

CAL Investments (Bermuda) Limited
PO Box 1022 Hamilton. Bermuda (809-29) 5-5950

CAL CTR Fd	0.99	1.05	—

Dealing days every Monday.

Commodity Advisory Svcs (IoM) Ltd
48 Athol St Douglas. IoM. 0624-20845

Com&FFFdAcc‡	102.78	107.06	—
Com&FFFdDist‡	102.78	107.06	—

Next dealing date June 6.

DunVest Ltd
PO Box 387 Grand Cayman

NAV May 1	$126.00	—

Framlington Overseas Fund Mngt Ltd
PO Box 71. St Peter Port. Guernsey. 0481 26541

O'seasInc&Gth	—	50.0	—

Manufacturers Hanover Geofunds
PO Box 92. St Peter Port, Guernsey. 0481 23961

LA Inc	$105.26	105.48	—
LA Acc$	$121.19	121.45	—
MIT Inc	$118.96	119.56	—
MITAcc$	$131.18	131.85	—

Marine Midland (CI) Ltd
140 B'way, NY 10015. USA 212-440-1000
Queens Hse. Don Rd. St Helier. 0534 71460

Intcurcy	$1 000.0	—

Initial offer. Next sub day June 16.

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg. Bermuda. 809 29 5400

Amer Tst	$11.64	12.01	−0.29	—

Perpetual UT Managers (Jersey) Ltd
PO Box 459. St Helier. Jersey. 0534 74517

Offshr Grth	$1.077	1.146	2.00

Rothschild Asset Management (CI)
St Julian's Ct. St Peter Port. Guernsey. 0481 26741

OC International Reserves Ltd

Bel Francs	BFr840.48	+0.820	8.91
Canadian $	C$36.080	+0.030	7.91
D-Mark	DM50.305	+0.020	3.78
Dutch Guilder	Fls49.825	+0.020	4.27
French Franc	FFr158.525	+0.195	11.06
Italian Lire	L35.572	+38	13.12
Japanese Yen	Y6.191.05	+2.670	5.17
Singapore $	S$62.68	+0.040	7.90
£ Sterling	£14.029	+0.011	9.42
Swiss Francs	SwFr45.441	+0.015	3.05
U.S $	$28.755	+0.020	7.97

Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195. St Helier. Jersey. 0534 27561
Schroder Money Funds Ltd

Sterling	£13.7015	+0.0242	—
U.S. Dollar	$25.6599	+0.0344	—
D-Mark	DM50.6645	+0.0372	—
Swiss Franc	SwFr50.3958	+0.0277	—

Tyndall-Guardian Management Ltd
PO Box 1256. Hamilton. Bermuda

T-G Am	$24.185	—	....	—
T-G Money	$20.89	—	....	—
T-G £ bond	$15.95	—	....	—
T-G Com.	$22.30	—	....	—
T-G Mort	C$19.24	—	....	—
T-G O'seas	$12.09	—	....	—
T-G Pacific	Y1.849	—	−23	—
T-G Wall St	$24.97	—	...	—

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane. Potters Bar. 0707 42311
Pension Funds

EqPenFdAc	562.2	592.8	+4.9	—
Fix I PenAc	398.3	419.3	+1.1	—
GtMinPnAc	256.1	250.6	+0.1	—
IntMnPenAc	233.2	245.4	−0.2	—
N AmPFdAc	125.8	132.3	....	—
Prop Pen Ac	213.5	224.7	....	—
Mp In PnAc	477.9	503.0	+1.7	—

Commercial Union Group
St Helens. 1 Undershaft. EC3. 01-283 7500

VarblAcMay14	—	135.51	....	—
An Uts May 20	—	31.59	....	—

Prime Series

Managed	105.8	111.1	+0.4	—
UK Equity	107.0	112.7	+0.6	—
Int Equity	105.9	111.5	+0.3	—
Property	97.3	102.5	....	—
Fixed Int	101.4	106.8	...	—
Indx Lnkd Gt	92.7	97.6	.	—
Cash	96.8	101.9	...	—

Hand-in-Hand

Cash	118.2	124.5	....	—
Fixed Int	135.2	142.4	.	—
Property	135.9	143.1	.	—
NatWest	172.6	181.7	.	—

Continental Life Insurance PLC
64 70 High St, Croydon, CR0 9XN. 01-680 5225

Equity Acc	130.6	137.5	....	—
Proprty Acc	127.8	134.6	....	—
Intl Acc	141.7	149.2	....	—
Managd Acc	137.1	144.4	....	—
PensEqyAcc	151.3	159.3	....	—
PensPrpAcc	138.2	145.5	....	—
PensIntlAcc	132.1	139.1	....	—
PenMgdAcc	143.6	151.2	...	—

Gilt, Deposit, Index Fund prices available on request.

Friends' Provident Life Office
Pixham End, Dorking. (0306) 885055
Life Funds

Cash Accum	95.0	100.1	+0.1	—
UK Eqty Acc	95.1	100.2	+0.7	—
Fxd Int Acc	96.0	100.0	+0.2	—
Indx Lkd Acc	94.8	99.8	−0.1	—
Mxd Acc	95.0	100.0	+0.3	—
Ovrs's Eq Ac	94.6	99.6	....	—
Propty Acc	95.0	100.0	....	—

Pension Funds

Cash Capital	95.0	100.1	+0.1	—
Cash Accum	95.0	100.1	+0.1	—
UK Eqty Capl	94.5	99.5	+0.6	—
UK Eqty Acc	94.5	99.5	+0.6	—
Fxd Int Captl	94.6	99.6	+0.1	—
Fxd Int Acc	94.7	99.7	+0.2	—
Indx Lkd Cptl	94.6	99.6	−0.2	—
Indx Lkd Acc	94.5	99.5	−0.3	—
Mixed Captl	94.4	99.4	+0.2	—
Mixed Acc	94.5	99.5	+0.2	—
O'seas Eq Cap	94.0	99.0	−0.1	—
O'seasEqAcc	94.0	99.0	−0.1	—
Propty Captl	95.0	100.0	....	—
Propty Acc	95.0	100.0	....	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7107
GRE Pensions Management Ltd

Pens Prp Int	127.3	134.0	....	—
PensPrpAcc	136.7	143.9	.	—
Pnsix-LkGtIn	94.3	99.2	−0.5	—
Pnsix-LkGtAc	94.4	99.3	−0.5	—
PensDepInt	133.4	140.4	+0.1	—
PensDepAcc	143.4	150.9	+0.1	—

Henderson Administration
11 Austin Friars, London EC2. 01-588 3622

High Inc	180.5	187.4	+1.7	—
Gilt Edged	95.6	100.7	....	—
Cap Growth	134.1	141.2	+2.4	—
Technology	161.9	170.5	+1.3	—
Nat Res'ces	124.4	131.0	+0.2	—
Spec Sits	184.4	194.2	−0.4	—
N America	215.8	227.2	−0.6	—
Far East	158.7	167.1	+0.8	—

Deposit	114.8	120.9	....	—
Prime Rest	110.2	116.1	....	—

Pension Funds

UK Equity	96.8	101.9	+0.7	—
Fixed Int	103.1	108.6	−0.1	—
Spec Sits	112.6	118.6	−0.1	—
N America	108.0	113.7	−0.3	—
Far East	105.9	111.5	+0.6	—
Managed	104.6	110.2	+0.1	—
Comm Propy	96.5	101.5	...	—
Prime Resc	96.4	101.5	.	—
Deposit	96.5	101.5	.	—

Capital Unit prices available on request.

London Life Linked Assn Ltd
100 Temple St. Bristol BS1 6EA. 0272-279179

Equity	205.9	212.0	.	—
Fixed Int	158.0	158.7	.	—
Property	161.9	166.7	...	—
Deposit	138.9	138.9	.	—
Mixed	180.3	184.0	.	—
Index Stk	112.0	112.5	....	—
Internationl	104.6	106.6	.	—

London Life Managed Funds Ltd

Equity (P)	147.2	152.5	.	—
Fixed Int(P)	160.2	161.4	.	—
Property(P)	117.2	121.3	..	—
Deposit(P)	117.3	117.3	.	—
Mixed(P)	142.6	145.9	.	—
Indx Stk(P)	118.0	118.8	...	—
Internatl(P)	102.2	104.2	.	—

Municipal Life Assurance Ltd
99-100 Sandling Road, Maidstone. 062 2679351

Managd Fd	94.0	100.0	—

Premium Life Assurance Co Ltd
Eastchester House, Haywards Heath. 0444 458721

Nat Res'ces	111.0	117.0	....	—
Property	135.0	143.0	....	—
UK Equity	129.0	136.0	....	—
Intl Equity	120.0	127.0	....	—

Prudential Pensions Ltd
Holborn Bars, EC1 2NH. 01-405 9222
Pru-Link Retirement Plan

Managd Fd	136.0	141.7	−0.6	—
Cash Fund	109.4	114.0	+0.2	—

Save & Prosper Group
4 Gt St Helens, London EC3P 3EP. 0708-66966

Gilt Pen Fd	177.6	188.0	+0.5	—
Dep Pen Fd‡	180.2	190.7	....	—
Gl Eq Pen Fd	53.4	56.6	....	—

Skandia Life Assurance Co Ltd
Frobisher Hse, Southampton. 0703-334411

Managed	146.6	154.3	+0.6	—
Equity	156.1	164.3	+1.2	—
Internatl	168.6	177.5	+0.6	—
Nth. Amer	105.1	110.6	+0.3	—
Gilt Plus	135.6	142.7	+0.4	—
Property	126.3	132.9		—
Deposit	128.6	135.4	+0.1	—
Pens Mangd	172.9	182.0	+0.9	—
Pens Equity	181.0	190.5	+1.5	—
Pens Incnl	199.7	210.2	+0.8	—
PensGtPls	161.1	169.6	+0.6	—
Pens Propty	151.7	159.7	....	—
Pens Dep	154.9	163.1	....	—

For prices of Capital Units and Guaranteed Basis Rates please phone 0703 334411

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941.

U.S. Dollar	—	—	....	5.0
Swiss Franc	—	—	....	0.8
Deutsche Mark	—	—	....	2.2
Yen	—	—	....	1.8

TSB Life Ltd
PO Box 3, Keens House, Andover, Hants SP10 1PG.

Managed Fd	98.7	104.0	....	—
Property Fd	95.7	100.8	....	—
Fixed Int Fd	96.6	101.7	+0.2	—

LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Brit. Petroleum (*382)						
300	94	102	—	2	3	—
330	64	72	—	4	8	—
360	44	54	62	11	16	24
390	28	44	46	22	30	38
420	16	28	—	44	48	—
Cons. Goldfields (*569)						
460	117	127	—	3	7	—
500	87	95	102	6	19	25
550	50	62	75	18	32	40
600	25	35	47	44	50	60
Courtaulds (*101)						
70	34	36	—	1	2	—
80	24	26	28	1½	2½	4
90	16	19	21	2½	4	6
100	9	11	13	6	8	10
Commercial Union (*164)						
120	50	52	—	1½	1½	—
130	40	42	—	2	3	—
140	30	35	38	2¼	5	7
160	14	20	23	8	10	13
180	6	12	15	20	23	26
G.E.C. (*219)						
180	50	56	—	2	6	—
200	34	40	50	5	10	14
220	22	28	38	14	21	26
240	12	20	26	26	30	36
260	6	—	—	44	—	—
Grand Met. (*335)						
280	66	—	—	3	—	—
300	47	53	61	5	9	13
330	33	39	46	14	18	20
360	19	27	33	31	33	35
390	8	17	—	56	57	—
I.C.I. (*462)						
330	144	—	—	3	—	—
360	114	120	—	3	4	—
390	84	94	—	5	7	—
420	62	72	82	8	16	20
460	38	50	60	20	30	34
500	16	30	40	44	52	66
Land Securities (*307)						
260	52	59	—	2	—	—
280	33	40	—	4	9	—
300	19	23	35	8	13	18
330	8	16	22	30	34	38
Marks & Spencer (*205)						
180	33	37	—	4	7	—
200	9	29	36	9	13	15
220	10	16	23	21	23	25
240	3	—	—	38	—	—
Shell Transport (*490)						
390	112	116	—	1½	3	—
420	82	88	—	3	7	—
460	46	52	60	8	14	20
500	27	34	42	24	32	40
550	8	16	—	66	70	—

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays Bank (*460)						
360	102	112	—	2	2	—
390	72	82	—	2	3	—
430	42	62	72	2	8	15
460	3	33	50	1	22	32
500	3	15	25	43	47	60
Imperial Group (*113)						
90	23	—	—	0¼	—	—
100	13	—	—	0¼	—	—
110	3	14	17	1	4	7
120	0½	7	9	8	9	12
130	0¼	3½	5½	18	18	20
LASMO (*283)						
210	77	88	95	1	3	4
230	57	68	80	1	4	8
250	39	55	65	1	12	18
270	17	38	58	1	17	28
290	1	30	—	12	30	—
300	—	—	35	—	—	40
320	1	20	—	40	48	—
330	—	—	25	—	—	60
350	1	—	—	—	—	—
380	1	—	—	—	—	—
Lonrho (*91)						
80	11	15	16	1	3	3½
90	1	7½	9½	1	6	8
100	½	4	6½	10	13	16
P. & O. (*186)						
100	88	90	—	0½	1	—
110	78	80	—	0½	2	—
120	68	70	72	0½	2	1
130	58	60	62	0½	2	2
140	48	51	53	0¼	3	6
160	28	34	38	2	7	12
Racal (*481)						
420	65	67	108	2	6	12
460	25	57	75	2	18	27
500	3	40	50	24	37	47
550	2	23	—	74	75	—
600	2	8	—	124	124	—
650	2	—	—	174	—	—
R.T.Z. (*584)						
390	197	—	—	0½	—	—
420	167	187	—	0½	—	—
460	127	147	—	0½	2	—
500	87	115	130	1	6	12
550	37	77	90	2	14	25
600	2	45	60	17	40	47
Vaal Reefs (*126)						
90	37	38½	41	1	1	2¼
100	27	29	34	1	2	5
110	17	23½	29	0¼	4½	7½
120	7	17½	24½	1	8	10½
130	1	12	17½	4½	11½	15
140	1	7	12½	—	—	—

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*385)						
360	53	65	70	9	14	20
390	35	48	55	22	23	35
420	16	28	37	36	40	45
Guest Keen (*158)						
135	27	32	35	2	5	8
155	14	19	23	8	12	15
175	5½	9	14	19	23	26

Total Contracts 9,727 Calls 8,074 Puts 1,653
* Underlying security price.

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

"Asset Builder"	64.2	67 6		

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr April 29	58 2	62 1		—
MMFlexible April 6	50 3	53 0		—
Fixed Interest April 29	53 4	56.3		—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	271.9	—	+0.1	—
Invest. Tst. Fd. Acc.	283.3	—	+0.2	9 8
Property Fund Cap.	117.4	—		—
Property Fund Acc.	122.1	—		3.7
Flexible Fund Cap.	175.7	—	−0.1	—
Flexible Fund Acc.	182 6	—	−0.1	3.3
Fixed Int. Fd. Cap.	137.3	—	−0.1	—
Fixed Int. Fd. Acc.	143 0	—	−0.1	—
Gtd. Deposit Fd. Cap.	137.6	—		—
Gtd. Deposit Fd. Acc.	142.2	—		—
Equity Fund Cap.	135.9	—	−0.7	—
Equity Fund Acc.	141.0	—	−0.7	—
International Fd. Cap.	136.7	—	+0.2	—
International Fd. Acc.	141.7	—	+0.3	—
Capital Gwth. Fd.	397.2	—	+0.1	—
Moneymaker Fund	161.3	—	−0.2	—
Exempt Inv Tst Cap.	380.5	—	−0.7	—
Exempt Inv Tst Acc.	387.8	—	−0.6	—

OFFSHORE AND OVERSEAS

[illegible]

WestAvon Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	£1.06	1.11	....	3.00
US $ Option	$1.00	1.05	....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13 22	+0.05	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com Fund	36.4	37.9	—	3.10
Chinese Fund	73.2	76 2	.	1.70
Precious Metal Fund	136.8	142.3	...	8 30
Vanguard Cmdy. Fd.	43 7	44.8	.....	2.26
Financial Futures Fd.	128 5	133 8	.	—
Wren Intl. Fnd.*	50.917	0 954	...	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for May 18.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	97⅞	98⅜	+0⅛	−0½	10.64
Amro Bank 13 89	200	107⅞	108⅜	0	−0½	11.13
Bank of America 8 88 XW	150	89⅝	90⅛	−0⅛	−0¼	10.78
Bank of Tokyo Hold 11 90	100	99½	100	−0⅛	−0¼	11.04
British Col Hyd 10⅛ 88	200	99⅜	99⅝	+0⅛	−0⅝	10.33
Canadair Ltd 12½ 89	175	106⅝	107⅛	−0⅛	−0⅞	10.88
Canadian Wheat 11⅛ 90	50	101⅞	102⅜	+0⅛	−0⅝	10.75
CIBC 11 90	75	98¾	99¼	+0⅛	−0⅛	11.32
Coca Cola Int 9⅞ 92	100	26	26½	0	−0¾	10.52
[illegible]						
Swiss Bk Corp 10⅛ 90	125	101⅞	102⅜	−0⅜	−0½	9.78
Texaco Capital 9¾ 90	150	96¼	96¾	+0⅛	−0½	10.48
U.B.S. 10 88	100	101¼	101¾	0	−1⅛	9.50
U.B.S. 11 88	150	103¼	103¾	0	−1	10.21
Walt Disney Pro 12½ 89	75	106⅛	106⅝	+0⅛	−0⅝	10.94
Westpac Int Fin 11 90	100†	97⅝	98⅛	+0¼	−1	1.32

	Issued	Bid	Offer	Change on day	Change on week	Yield
World Bank 10⅝ 88	150	99½	100	0	−0¾	10.43
World Bank 10⅞ 93	100	99¾	100¼	−0⅛	−0⅞	10.87
World Bank 11⅛ 98	100	98¾	100¼	−0⅛	−1½	11.11

Av. price changes: on day 0, on week −⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 6⅞ 93	200	99⅝	99⅞	−0⅛	−0⅛	6.92
Bank of Tokyo 7¼ 90	100	99⅝	100⅛	−0⅛	−0⅛	7.24
Bayer Capital 7⅞ 89	150	103⅞	104⅜	−0⅛	−0⅛	6.78
Caisse Nat Energie 8 93	100	99¾	100¼	+0⅛	0	7.99
[illegible]						
Nippon Express Co 6 93	50	102	102¼	+0¼	+0⅞	5.70
Nippon Kokan 5⅞ 93	100	96	96¼	+0⅜	+0⅜	6.18
Norsk Hydro 5½ 98	100	98	98¼	+0¼	0	5.89
Quebec Hydro 5½ 93	100	100½	100¾	+0½	+0½	5.42
Sekisui House 6 93	100	100¼	100½	+0⅛	0	5.95
Shikoku Elec Pow 5⅝ 93	100	98	98¼	+0⅛	0	5.88

[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
[illegible]						
C.C.F. 5⅛ 98	0¼	99⅝	99⅞	24/8	9.94	9.96
Cepme 5¼ 98 WW	0¼	99¼	99¾	3/6	5⅝	5.28
Cepme 5⅛ 92	0⅛	99½	99¾	10/6	9.94	9.97
Chemical NY 5¼ 94 ††	0⅛	99⅞	100⅛	23/6	9⅝	9.88
Credit Agricole 5¼ 97	0¼	99¼	99¾	24/5	10	10.05
Credit du Nord 5⅛ 92	0⅛	99⅞	99⅞	23/6	10⅛	10.23

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Eurobond market sees launch of five new issues

BY MARY ANN SIEGHART IN LONDON

THE Eurobond market burst back into life yesterday with four dollar issues and one hybrid coming to the market. The novelty was devised for the state agency Credit d'Equipement des Petites et Moyennes Entreprises (CEPME) – a Eurosterling straight bond, convertible into a dollar floating rate note.

Guaranteed by the Republic of France, the £30m, 12-year bond carries a coupon of 11¼ per cent at par. The bond is convertible during the first five years into a *dollar floating* rate note paying six-month London inter bank offered rate (Libor). The dollar-sterling exchange rate has been fixed at $1.55 = £1.

The deal is being led by Hill Samuel, which conceived the idea as an election-hedging device. As the conversion option lasts until June 15 1988, it covers against the next two elections. The idea is that if Labour wins on June 9, sterling would be likely to weaken, so holders of the bond might be expected to convert to dollars.

For this option, however, investors are sacrificing about 70 basis points on the straight sterling bond and about 40 basis points on the floater.

Dealers seemed confused about the value of the bond. Some were enthusiastic, but others pointed to three potential problems: the possible illiquidity of the floater if only a few investors choose to convert; the fact that investors who want sterling or straight bonds are not necessarily the same as those who want dollars or floaters; and the difficulty of trading such a complex instrument.

The quoted pre-market price varied enormously, but averaged at a discount of around 2 points – outside the 1⅞ points selling concession.

Sumitomo Finance finally launched its $100m seven-year bond yesterday with a coupon of 10⅞ per cent at 99¼, giving a yield to maturity of 10.98 per cent. Salomon Brothers is running the books and Sumitomo Finance, Citicorp and Goldman Sachs are co-lead managers. The deal involves interest rate swaps with three counterparties. The bond traded in the pre-market outside its 1⅞ point selling concession at a discount of about 1¾ points.

Pirelli is raising $40m through a five-year warrant bond with a 8⅝ per cent coupon at par. Credit Suisse-First Boston is leading the deal together with SBC International.

Turkey awards mandate on loan

By Margaret Hughes in London

TURKEY has awarded the mandate to 12 international banks for the $200m medium-term loan which it is raising to help meet its balance of payments deficit forecast to drop to about $575m this year.

Morgan Guaranty will be handling the documentation and acting as agent for the Libor tranche. Citicorp will be the agent for the prime tranche and Bankers Trust International will act as marketing coordinator.

The other lead managers are Gulf International Bank, Irving Trust, National Bank of Kuwait, Bank of Tokyo, Barclays Bank International, Union Bank of Switzerland, Arab Banking Corporation, Chase Manhattan and Manufacturers Hanover.

The five-year loan will be a revolving credit during an initial period up to the end of December 1984. Repayment will start three years after the loan has been signed.

New venture for Price Waterhouse

By Charles Batchelor in London

PRICE WATERHOUSE, the international accountancy group, has formed a company with four bankers to advise companies and countries on how to manage their borrowing.

The new venture, to be called Price Waterhouse and Partners, will be headed by Mr Michael Coates, chairman of Price Waterhouse, and will make use of the resources of Price Waterhouse's offices in 95 countries.

The four bankers are: Mr Andre George, formerly of the French Treasury, the Société Générale banking group and the European Investment Bank; Mr Claude Hankes-Drielsma, a former director of Robert Fleming, a UK merchant bank; Dr Eugen Roesle, a former executive vice-president and still a non-executive board member of the Bank Leu of Switzerland; and Mr Alexander Vagliano, formerly of Morgan Guaranty Trust Company in the U.S., and of the U.S. State Department's Agency for International Development.

"We felt it was important to have people with experience of the international capital markets and banking alongside the accounting resources of Price Waterhouse," Mr Hankes-Drielsma said.

"The four banking partners will fulfil an advisory and consultant role. There will be an executive committee, which will include partners from Price Waterhouse."

The new partnership claims to be able to offer more disinterested advice than might be obtained from a merchant bank because it has no interest in providing finance.

The idea for the partnership arose from the growing problems of sovereign and corporate borrowers, many of which have had to restructure their debt to delay the repayment of interest.

Price Waterhouse and the four bankers said their aim was to provide an organisation which would be in a position to help borrowers and lenders determine the composition and implications of their needs for finance, and to contribute to the responsible management of obligations by borrowers.

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Last	Vol.	Last	Vol.	Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS
A=Asked B=Bid C=Call P=Put

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday May 19 1983

Promise to reform EEC rice regime, Page 41

WALL STREET

Interest rate fears wipe out gains

SHARE MARKETS on Wall Street moved strongly ahead yesterday morning but the early gains in leading stocks were wiped out as it became clear that the fixed interest sector remained unsettled by the outlook for interest rates, *writes Terry Byland in New York.*

Investors in equities were encouraged at first by further indications of the strength of the economic recovery in the U.S. in the form of a substantial increase in personal incomes last month, and by the latest statistics on housing starts. But the same factors tended to revive fears in the bond market that the business upturn is putting pressure on the monetary policies of the Federal Reserve Board.

The Dow Jones industrial average touched 1,220 at one stage but by the close had fallen back substantially to end the day a net 2.23 lower at 1,203.56. Trading volume amounted to 99.8m shares with 969 advances and 646 declines.

Prices of leading shares benefitted initially from a spurt of buying from professional traders seeking stock to cover selling commitments made on Tuesday.

But once these technical operations had been completed, share prices fell away on a general lack of retail support throughout both equity and bond sectors.

IBM ended the session $2¼ down at $111¾, having touched $114⅝ earlier in the session, and other major stocks to close lower included General Electric, $1⅝ off at $106¾, Exxon $⅛ down at $33⅝, General Motors $2 off at $67, Ford $1⅝ lower at $48¾ and AT & T $⅝ down at $66.

On the financial trading desks, shares in Aetna Casualty and Life gained $¼ to $42⅛ following the announcement of a joint venture with Samuel Montagu of London.

The retail sector met renewed buying behind the latest corporate reports. Higher third-quarter profits at Macy put the shares up by $1½ to $51.

Another strong feature on the corporate reporting list was Hewlett Packard, whose shares jumped $4⅞ to $83⅝.

The announcement that 3.5m shares are to be sold left Sperry, the computers and capital goods group, $⅝ down at $36¾.

In the municipal bond market, dealers marked up the prices of three of the bonds of the Washington Power Supply System on rumours that a senator will seek Federal aid for the beleaguered authority.

Other municipal bonds looked firm, helped by a successful pricing of the major new issue of the week, New York State Power Authority's $590m bond, at a yield of 9.47 per cent.

Fixed interest markets remained depressed by the recent rise in money supply and made no response to comments from the vice-chairman of the Federal Reserve Board that the Fed no longer regards the M1 figures as a primary guide for policy setting.

Treasury Bill yields slackened, with the three-month notes at a discount of 8.10 per cent and the six-months at 8.15 per cent.

Prices edged higher at the long end of the bond market where fears of renewed inflation are most acute. The Treasury benchmark long bond, the 10⅜ per cent of 2012, traded at 98⅛₂, compared with 98⅔₂ late on Tuesday.

A further $2bn customer repurchase arrangement by the Fed disappointed the market, which wants to see some sign of more permanent help.

Stocks discarded some of their uncertainty in Canada with a broad increase in all the **Montreal** indices, while **Toronto** resource issues dominated the gains again.

LONDON

Takeover enthusiasm dominates

LEADING EQUITY shares in London enjoyed their best day in over three months due partly to recent bid activity and ensuing speculative enthusiasm for any stock thought to be a possible bid candidate.

The Financial Times Industrial Ordinary share index advanced steadily throughout the session to close at the day's best with a rise of 14.2 at 689.8.

There were few signs of any worthwhile expansion in the recent low level of trade, although continuing covering of positions by traded option dealers coupled with a little more genuine investment interest added weight to the day's improvement.

Trading conditions remained extremely thin and many gains were out of proportion to the amount of business transacted. ICI featured with a rise of 20p to 476p as late U.S. demand found the market short of stock. Beecham was also noteworthy, along with BTR, currently bidding for Thomas Tilling, while BP, Glaxo and Plessey all rose by double figure amounts.

The undoubted star was P & O deferred, up 26p at 190p on persistent speculation that Trafalar House was about to launch a bid. The takeover scene was further enlivened by Extel's increased counter-bid for Benn Bros.

Government stocks failed to shake off political uncertainties and rarely strayed from previous closing levels. Easier initially by around ¼, long-dated stocks rallied to close with losses of only ⅛ helped by yesterday's firmer opening in U.S. bonds. Medium-dated stocks finished the day with gains of ⅛ on balance and the shorts also recorded rises of a similar amount.

South African golds opened firmer in line with the steadiness of the bullion price, but lost a little ground towards the close.

The Gold Mines index moved up a further 3.3 to 684.4, for a gain of 14 over the past three trading days, while bullion touched $445 before edging downwards to close just 50 cents higher at $443.50.

There was little interest in diamonds, but Impala featured among the platinums with a gain of 5p to a new peak of 850p.

London financials were actively traded, and prices moved ahead strongly in line with the remainder of the equity market.

Australians were generally quiet ahead of today's mini-budget, in line with overnight domestic markets.

Hopes of a successful reception in the UK for its 3-D camera stimulated a lively business in Nimslo International, which gained 34p to 90p.

Selective support was again forthcoming for leading buildings. Barratt Developments continued the recent revival and closed up 6p to 478p, while Redland hardened 3p for a two-day gain of 8p to 244p.

Share information service, Page 42–43

AUSTRALIA

Resources gain

HEAVY buying of resource stocks, thought by dealers to emanate from Europe, carried prices briskly upward in Sydney. After a general easing towards the close, the All Ordinaries index was 6.1 points ahead at 608.6, while the All Resources showed a gain of 9.4 to 488.6. The All Industrial indicator was 2 up at 757.4.

SOUTH AFRICA

Golds firmer

GOLDS came back from their early highs after light profit taking in Johannesburg yesterday, but industrials remained generally firm.

Buffels finished R1 ahead at R75 after touching R75.50, while among lightweight gold shares, Loraine put on 10 cents to R8.85 after a high of R8.95 and Rusplat gained the same amount to R10.20.

FAR EAST

Tokyo takes U.S. line to recovery

THE DOWNWARD slide of the last five sessions in Tokyo was halted yesterday as buying interest revived in response to New York's firmer tone.

Trading was active, with first-section turnover climbing to 310m shares from 270m the previous day, and the Nikkei Dow Jones index held early gains to close 26.62 points ahead at 8,598.84.

Bargain hunting by foreign investors pushed most blue chips higher, with electricals and office equipment makers leading the rally. Matsushita Electric put on Y50 to Y1,480, Fuji Film Y90 to Y1,870, Pioneer Electronic Y90 to Y2,600 and Brother Industries Y34 to Y715.

Mitsui gained Y7 to Y407 on news that it had agreed to resume work on the Bandar Khomeini petrochemical complex in Iran.

Among losers, Sanko Steamship eased Y10 to Y310, Japan Lines Y5 to Y207 and Daiichi Kisen Y30 to Y1,800. Nonferrous metals, which made early gains, finished lower on profit-taking.

Marking the strong speculative element in yesterday's rally, Oki Electric gained Y26 to Y515 on expectation of a substantial sale of car telephone equipment to the U.S., while Taisho Pharmaceutical climbed Y100 to Y937 as buyers anticipated an announcement that the company had developed a new anti-cancer agent.

The market's second section was also firmer, with the index up 1.55 points to 1,078.85, and volume higher.

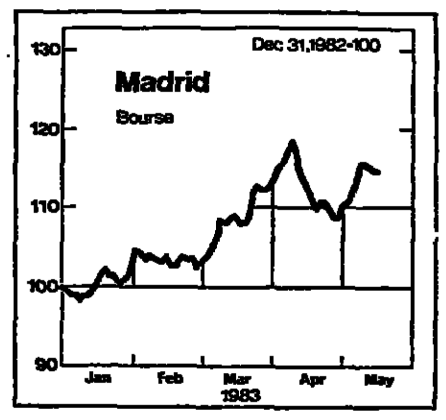
Profit-taking took prices lower in **Singapore** in selective moderate trading, and the Straits Times index lost 3.87 points to 947.80.

The decline was widespread if not extensive: Banks retreated with Oversea Chinese down 20 cents to S$11.20 and Overseas Union Bank 5 cents lower at S$5.00. Jacks International and Keck Seng shed 15 cents apiece to S$7.05 and S$5.60 respectively.

Among industrials, Sime Darby fell 6 cents to S$2.66 and actively traded Promet lost the same amount to S$4.00. Shipyards were mostly higher, with motors unchanged.

The persistent weakness of the local currency against the U.S. dollar kept investors away from a lethargic half-day session in **Hong Kong** where turnover, at HK$45.95m, was the lowest since January 5.

Dealers attributed small gains in most leading shares to short-covering following recent falls. The Hang Seng index edged up 2.76 points to 933.46, aided by gains of 5 cents to HK$7.90 in Hongkong and Shanghai Bank and 10 cents to HK$13.20 in Jardine Matheson.



EUROPE

Search for Frankfurt bargains

EUROPEAN bourses were reluctant yesterday to respond to wall Street's late Tuesday rally, and directionless trading left prices for the most part little changed.

The recovery which started in the previous session continued in **Frankfurt**, however, where bargain hunting by both domestic and foreign investors was underpinned by encouraging statements from a number of companies.

Most stocks eased after a strong opening, but the Commerzbank index was 10 points ahead at 936.7.

Deutsche Bank's higher first-quarter profits took its shares DM 6 higher to DM 340 and Commerzbank followed suit with a DM 3 rise to DM 175; Dresdner Bank added DM 3.30 to DM 186.30. BHF Bank was in demand even ex a DM 9 dividend and firmed DM 2.50 to DM 292.

Domestic bonds eased on continued pessimism about the direction of U.S. interest rates.

In **Amsterdam**, stocks closed marginally lower with only a few exceptions in moderate trading. Internationals were most active, with Philips gaining Fl 1.60 to Fl 47.90 ahead of today's first-quarter results announcement. Expectations of Royal Dutch Shell's results produced a Fl 0.70 drop to Fl 118.70, however.

Domestic bonds finished lower after recovering from the relative failure of the previous day's state loan tender.

News of a 1.4 per cent rise in French retail prices during April dampened enthusiasm in **Paris** and prices were narrowly mixed in quiet trading.

Oils provided the few bright spots in **Brussels**, where prices eased over a broad front in what dealers saw as a technical reaction to four months of steady increases.

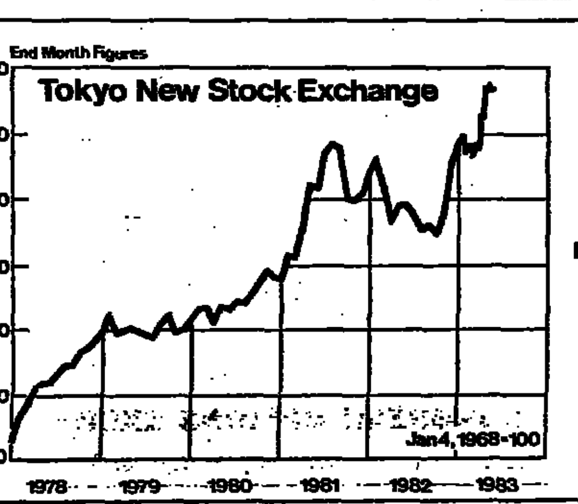
Petrofina gained BFr 30 to BFr 5,500 and Cometra BFr 80 to BFr 2,360. Major holding companies eased, though, with Sofina slipping BFr 155 to BFr 4630 and Société Générale BFr 50 lower at BFr 1,620.

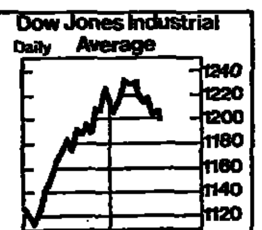
In **Zurich**, prices continued to be supported by recent favourable corporate earnings results and forecasts. Concern over the large cash injection required by the recently announced plan to rescue the Swiss watch industry had faded and banks firmed in line with the rest of the market.

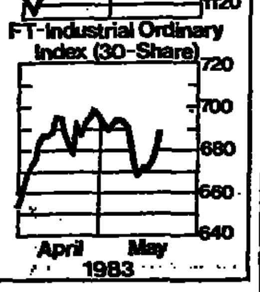
Prices closed mixed in **Milan** in fairly active but nervous trading ahead of next month's general elections. Leading industrials eased and financials fell sharply on profit taking.

In **Madrid**, stocks closed broadly lower in dull trading with only minor rallies in the chemicals and construction sectors.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	May 18	Previous	Year ago
DJ Industrials	1203.56	1205.79	840.85
DJ Transport	542.89	540.5	339.48
DJ Utilities,	129.48	129.43	113.29
S&P Composite	163.27	164.67	115.84
LONDON			
FT Ind Ord	689.8	675.6	561.9
FT-A All-share	424.55	419.92	326.81
FT-A 500	461.30	455.47	356.28
FT-A Ind	425.57	420.37	321.85
FT Gold mines	684.4	681.1	247.8
FT Govt secs	80.61	80.59	68.52
TOKYO			
Nikkei-Dow	8598.84	8572.23	7567.06
Tokyo SE	631.75	628.21	560.38
AUSTRALIA			
All Ord.	608.6	602.5	516.5
Metals & Mins.	540.6	533.0	378.7
AUSTRIA			
Credit Aktien	57.56	57.8	52.24
BELGIUM			
Belgian SE	121.67	122.14	93.55
CANADA			
Toronto Composite	2430.5	2424.7	1531.6
Montreal Industrials	418.14	417.87	282.9
Combined	402.97	402.4	265.16
DENMARK			
Copenhagen SE	n/a	143.04	92.06
FRANCE			
CAC Gen	124.6	124.5	109.4
Ind. Tendance	128.0	126.1	122.0
WEST GERMANY			
FAZ-Aktien	313.06	309.49	229.7
Commerzbank	936.7	926.7	700.8
HONG KONG			
Hang Seng	933.46	930.7	1334.05
ITALY			
Banca Comm.	190.29	190.54	185.33
NETHERLANDS			
ANP-CBS Gen	126.0	126.4	94.1
ANP-CBS Ind	103.9	105.0	74.4
NORWAY			
Oslo SE	192.75	194.24	111.53
SINGAPORE			
Straits Times	947.80	951.67	770.69
SOUTH AFRICA			
Golds	965.3	957.5	415.8
Industrials	953.0	946.5	578.9
SPAIN			
Madrid SE	114.64	114.88	121.7
SWEDEN			
J & P	closed	1494.26	597.76
SWITZERLAND			
Swiss Bank Corp	326.7	325.0	256.9
WORLD	May 17	Prev	Yr ago
Capital Int'l	176.6	176.6	138.3

GOLD (per ounce)

	May 18	Prev
London	$443.50	$443.00
Frankfurt	$442.75	$440.75
Zürich	$443.50	$440.00
Paris (fixing)	$441.78	$438.47
New York (May)	$440.10	$443.10

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR May 18	U.S. DOLLAR Previous	STERLING May 18	STERLING Previous
£	1.5590	1.5570	–	–
DM	2.4610	2.4595	3.84	3.8325
Yen	232.50	233.05	362.50	363
FFr	7.4025	7.3950	11.54	11.51
SwFr	2.0460	2.0450	3.1925	3.1875
Guilder	2.7665	2.7680	4.3150	4.3075
Lira	1464.75	1462.75	2283.50	2277
BFr	49.13	49.18	76.60	76.55
C$	1.23075	1.23075	1.9185	1.9155

INTEREST RATES

Euro-currencies (three month offered rate)	May 18	Prev
£	10⅜	10 7/16
SwFr	4½	4 9/16
DM	5 3/16	5 3/16
FFr	13 11/16	13⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 1/16	9 3/16
6-month U.S.$	9⅛	9¼
U.S. Fed Funds	8⅝	8⅝
U.S. 3-month CDs	8.60	8.70
U.S. 3-month T-bills	8.11	8.14

U.S. Treasury Bonds

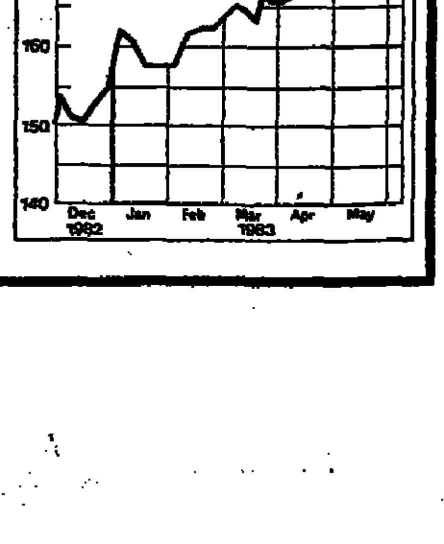
	May 18 Price	May 18 Yield	Prev Price	Prev Yield
9⅝ 1985	99 30/32*	9.49	100 3/32	9.44
10½ 1990	100 24/32*	10.34	101 3/32	10.28
10⅜ 1993	98 4/32*	10.43	98 20/32	10.35
10⅜ 2012	98 1/32*	10.58	98 22/32	10.52

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77–05	77–18	77–06	77–09
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.76	91.83	91.76	91.76
Cert Deposit (IMM) $1m points of 100%				
June	91.31	91.41	91.35	91.32
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.13	91.13	91.10	91.06
20-year Notional Gilt £50,000 32nds of 100%				
June	104–01	104–10	103–27	103–31

LONDON COMMODITY MARKETS

	May 18	Prev
Silver (spot fixing)	855.35p	834.55p
Copper (cash)	£1147.00	£1143.25
Coffee (May)	£1954.50	£2006.50
Oil (spot Arabian light)	$28.25	$28.25



NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
14½	5⅛	AAR	.44	2.9	23	368	u15¼	14½	15¼	+⅞
37⅞	27½	ACF	2.76	7.4	16	302	37½	36⅝	37½	+1
20	12⅞	AMF	.50	3.1		808	16½	15⅞	16	−⅛
30⅝	13¼	AMFICp				6253	28⅝	27⅞	28⅜	+1⅛
16⅝	4	AMR	wt			4485	14⅜	13⅞	14⅜	+1⅛
18¾	12⅝	AMR	pf2.18	12.		39	18⅝	18	18½	+⅛
35	24⅝	AMR	pf2.13	6.5		723	33⅜	31⅞	32½	+1¼
9⅝	2½	APL				278	9¼	8⅝	8⅞	−⅛
53⅝	25¼	ARA	2.05	3.9	15	152	53¼	52¼	53	+1¼
78⅝	24½	ASA	3a	4.1		746	75¼	73¼	73¼	−1⅞
34½	13⅝	AVX	.32	1.1	48	151	30	29	29½	+⅜
47½	27⅝	AbtLab	1	2.2	18	2004	45⅞	45⅜	45½	+¼
30⅝	26¼	AccoW	n.12e	.5	20	401	26⅞	26½	26⅝	+⅛
22⅛	15⅝	AcmeC	.40	2.0		302	21	20⅝	20⅝	−⅛
13⅞	5⅛	AcmeE	.32b	2.5	41	30	12⅞	12⅝	12⅝	
19⅞	4⅞	AdmDg	.04	.2	15	91	18½	18⅛	18⅛	−⅛
17⅞	12½	AdaEx	1.73e	10.		61	17⅛	16⅞	16⅞	−⅛
12¼	4⅝	AdmMl	.24	2.1	11	22	11⅝	11⅜	11⅜	+⅜
28	12⅝	Advest	s.16	.6	13	182	28⅜	27⅝	28	
46⅞	13	AMD	s		58	1083	45⅞	45	45⅛	+⅛
44⅞	32⅝	AetnLf	2.64	6.3	6	1410	42¼	41⅞	41⅞	
65	52¼	AetL	pf3.70e	6.4		358	58	57⅞	58	+⅛

WORLD GOLD

in 1983 & 1984

The fifth FT Gold conference to be held in Lugano, Switzerland on 22 and 23 June 1983 will stress the market production and investment outlook. The silver market and gold-silver price relationships together with monetary questions will also be analysed.

Robert Guy of Rothschilds will chair the first day and give the Opening Address. The speaker platform will be as authoritative as at previous meetings in this well-regarded series.

For further details please contact:

FINANCIAL TIMES CONFERENCE ORGANISATION

TELEPHONE: 01-621 1355 TELEX: LONDON 27347 FTCONF G

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 38

W—W—W

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
20⅜	15¼	WICOR	2.14	11	9	47	19⅝	19½	19⅝	-⅛
44½	36⅝	WabR	pf4.50	11		z50	40	40	40	-½
43⅞	23	Wachov	1.40	3.4	11	82	41½	41	41¼	
34½	12½	Wackht	.44b	1.4	21	38	32	31⅛	32	+⅞
12⅞	4½	Wainoc				513	8	7½	7⅞	+⅜
73¾	24	WalMrt	s.28	.4	37	653	72⅞	71⅛	71¼	-1⅛
79½	27	WalMrt	pf			1	77	77	77	-2½
33⅜	13¼	Walgrn	s.60	1.9	16	834	31⅞	31⅛	31½	
21⅞	12	WkHRs	g1.32			220	u21⅞	21¼	21⅝	+¼
28	14½	WlCSv	s.36	1.4	16	29	26	25¾	26	-⅛
47⅞	16¼	WalJm	1.20	2.6	13	327	46¼	45½	45¾	
10	6¾	WaltJ	pf	1	11	210	8¾	8¾	8¾	

Continued on Page 40

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

JAPAN

SOUTH AFRICA

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BTR	422	+10
Beecham	395	+15
BP	382	+ 8
Dowty	143	—
Electro-Protective	210	+20
Glaxo	885	+20
ICI	476	+20
London & Liverpool	164	−20
Micro Focus	255	—
Nimslo	90	+34
P and O Defd	190	+26
Shell Transport	490	+ 4

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

	No. of changes	Tues. close	Day's change
Waddington, J.	28	180	+56
Tilling (T.)	20	230	+29
Glaxo	18	865	+ 5
Plessey	18	635	+20
IMI	16	60½	+ 4½
Beecham	13	380	+ 5
First Nat. Fin.	13	54	+ 3½
Lond & Liv Tst	13	184	− 6
BP	12	374	+ 4

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (53)

BRITISH FUNDS (1)
Exchqr. 3pc 1984
FOREIGN BONDS (1)
Ireland 7¼pc '81-83
AMERICANS (5)
Browning-Ferris, Shell Oil, GATX, Union Carbide, Gulf Oil
BANKS (2)
First Nat. Finance, Sec. Pacific Corp.
BUILDINGS (3)
Gleeson (M. J.), Whittingham, Sheffield Brick

NEW LOWS (14)

STORES (2)
Acsis Jewellery, Menzies
ENGINEERING (1)
Howden Group
INDUSTRIALS (4)
Airship Inds., Lon. & Liv'pool Tst., Equipu, Rockware
LEISURE (1)
Television Servs.
TEXTILES (1)
Lowe (Robert H.)
TRUSTS (1)
M. & G. Dual Cap.
OILS (1)
Atlantic Res.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST

	PRICE INDICES	Wed May 18	Day's change %	Tue May 17
2	5-15 years	128.98	+0.05	128.92
3	Over 15 years	137.87	−0.03	137.91
4	Irredeemables	144.97	+0.22	144.65
5	All Stocks	127.79	+0.05	127.73
6	Debentures and Loans	103.43	−0.02	103.45
7	Preference	80.71	+0.05	80.67

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY.

RISES AND FALLS

	Rises	Falls	Same
British Funds	39	20	40
Corpns. Dom. and Foreign Bonds	13	1	66
Industrials	258	167	917
Financial and Prop.	118	80	342
Oils	32	14	65
Plantations	1	5	16
Mines	42	37	77
Others	56	48	68

FINANCIAL TIMES STOCK INDICES

	May 18	May 17	May 16	May 13	May 12	May 11	year ago
Government Secs.	80.61	80.59	80.61	80.69	81.04	81.16	68.52
Fixed Interest	83.00	82.93	82.87	82.91	82.99	83.01	69.45
Industrial Ord.	689.8	675.6	671.1	671.7	668.6	672.6	561.9
Gold Mines	684.4	681.1	677.8	670.4	678.1	680.5	247.8
Ord. Div. Yield	4.56	4.64	4.67	4.68	4.72	4.67	5.51
Earnings, Yld.% (full)	8.94	9.13	9.17	9.18	9.37	9.27	11.44
P/E Ratio (net) (*)	13.89	13.58	13.53	13.52	13.21	13.35	10.67
Total bargains	19,246	16,602	15,649	14,045	13,583	20,768	15,179
Equity turnover £m	—	246.29	169.54	161.15	168.43	217.06	119.61
Equity bargains	—	15,817	15,613	14,488	14,524	17,065	11,518
Shares traded (ml)	—	136.7	101.8	105.9	104.0	118.8	80.9

10 am 681.3. 11 am 682.1. Noon 683.6. 684.7. 2 pm 685.0. 3 pm 685.3.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.96.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	699.0 (27/4)	598.4 (12/1)	699.0 (27/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	551.5 (28/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	May 17	May 16
—Daily Gilt Edged Bargains	154.5	143.8
Equities Bargains	102.5	100.8
Value	497.8	342.7
5-day Avrge Gilt-Edged Bargains	145.4	149.9
Equities Bargains	100.3	103.5
Value	397.2	395.9

NEW YORK Indices

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 39

NEW YORK

Continued from Page 39

COMMODITIES AND AGRICULTURE

Promise to reform EEC rice regime

By Richard Mooney

THE EEC Commission has promised to reform the Community's rice regime in response to pressure from Britain's Food Manufacturers' Federation (FMF) and the North European Rice Millers' Association.

"Under the current regime, imports of the widely-used long grain rice attract a substantial levy although this rice cannot be cultivated in the Community," says the FMF.

"On the other hand, the regime encourages production of medium grain rice, for which there is little demand in the Community outside Italy, at the expense of round grain rice, for which there is a real demand."

A new system of classification is to be introduced which should end the current situation whereby EEC medium grain rice is classified as long grain. As a result, long grain imports are regarded as competing with Community production. Second, technical changes will be made in the calculation of target and threshold prices which should result in a reduction in the import levy.

Third, the Commission will revise the intervention price level to give greater encouragement to Community rice producers.

Mr Gordon Jopling, chairman of the FMF's rice panel, said: "We feel that some real progress is at last being made . . . it will lead to a rice regime which reflects more accurately the supply and demand position in the Community, and this must be in the best interests of farmers, millers, processors and consumers."

Why the wet spring will crisp up potato prices

David Richardson finds the answer in waterlogged soil

THE FIRST leaves of maincrop potatoes should, by mid-May, be peeping through the soil at the apex of the ridges into which seed tubers have been placed. But this year, well over half the national crop has not even been planted. More significantly about a quarter of the *seed previously planned for* early planting and harvesting was still not in the ground.

The theoretical date by which potatoes should be put in to achieve optimum yield is April 14. After that the potential yield drops by about 2½ tonnes per hectare per week.

Those farmers who have so far failed to plant their crops must, therefore, expect a yield penalty of 10-12.5 tonnes per hectare, or up to one third of normal potential, even supposing they get their seed in this week. The weather forecast gives little grounds for optimism.

Soil has become so saturated by the constant rain and heavy *showers of* the last eight weeks that many hectares of potatoes planted before the weather broke have also suffered. Rainwater has flooded large areas of land, rotting seed potatoes.

A shortage of home grown supplies next year is now regarded as inevitable and the size of the shortfall will increase with every further day of rain. The London potato futures market has already reacted with several steep price rises. This upsurge also reflects the probable *non-availability of* alternative supplies from Holland, where the weather is reported to have been even worse than here.

Paradoxically, this grim prospect for 1983-84 potato supplies comes while the Potato Marketing Board is disposing of the 1982-83 surplus for stock feed. Prices paid for potatoes during the last nine months of oversupply have in many cases, been insufficient to leave a profit for the grower.

The wet spring of 1983 has already transformed price forecasts for this autumn. Even light potato crops could leave substantial profits — as they did in 1975 and 1976 when yields were reduced by too little rain.

No such flexibility exists for sugar beet, which is grown on a fixed price contract, the level of which does not vary according to weather. British Sugar claims that something over 90 per cent of the UK target area has now been drilled, although much of it later than the optimum date, which is similar to that for potatoes.

Most crops are now emerging from the wet soil, however, and while it is inconceivable that yields could match last year's phenomenal record of 50 tonnes per hectare, warm growing weather from now on could *still* produce near average tonnages.

The main concern of beet growers this year is weed control. This used to be done by gangs with hand hoes, but they have been almost totally replaced by highly selective chemical herbicides.

The trouble is that the heavy showers have left land too wet to carry a tractor and sprayer, and there is a distinct danger of weeds getting out of control.

Plantings of peas and other crops for processing have been totally disrupted. Orderly harvesting of such vegetables to fit in with factory capacity requires rigid planning and a disciplined planting programme.

Needless to say, it has been impossible this spring, and *together with a lower planned* acreage by the major processors it seems certain to lead to an "underpack" of vegetables this summer. All sectors of the frozen food industry, however, will be only too pleased if it empties expensive long-standing stocks from cold stores.

Sugar rallies

A lower-than-expected sugar export allotment at yesterday's weekly export tender in Brussels encouraged a modest rally in London sugar futures in the afternoon, but prices still finished down on the day.

Following the upsurge which had lifted it £27 a tonne in two weeks to a 15-month high the October position fell £6.425 yesterday morning, partly on the firmness of

But news that the EEC Commission had granted export licences on only 30,000 tonnes of whites encouraged buyers and the October price rallied by more than £2 a tonne.

Cardiff grain terminal planned

CERES (UK) and Spillers Milling have reached agreement in principle to develop a grain export terminal at Roath Dock, Cardiff.

The scheme will use the existing Spillers silo complex and an adjacent flat store. Ceres will contribute to new intake systems and a mobile ship loader while Spillers will manage site operations.

Total storage capacity will be 40,000 tonnes. The load berth can take vessels up to 35,000 tonnes and has a loading *rate of 1,000 tonnes per* hour.

● **THE SPANISH** farmers' confederation threatened to stop lorries carrying French milk and fish into Spain in retaliation for French farmers' attacks on trucks carrying Spanish produce.

● **THE SOVIET UNION** plans to double the area planted in major oilseeds in 1983 by using improved farming techniques, says the U.S. Agriculture Department.

● **SOVIET MEAT** production from state and collective farms in January-April increased to 5.1m tonnes from 4.86m tonnes in the same period last year.

● **THE NORTHERN** Ireland *herring fishing grounds are to* be opened next month but fishing will be restricted and closely monitored. Access for British and Isle of Man vessels will be allowed from midnight on June 6.

● **AUSTRALIAN** giant earthworms, which grow to a length of three metres and speed through their burrows making gurgling, sucking noises, are endangered by modern agriculture, according to the Invertebrate Red Data Book published by the World Wildlife Fund.

Congress backs rubber research

WASHINGTON — The U.S. Congress overwhelmingly approved legislation yesterday that would continue federal support for development and production of rubber and other critical materials from agricultural products native to the U.S.

The Bill is aimed at using the guayule plant found in the south-west as a source of rubber so the U.S. can reduce its dependence on foreign sources of rubber. It now imports all its natural rubber.

Congress voted to continue until September 1988 a research and development effort which has been under way since 1978.

The Bill would earmark up to $45.5m for the programme.

The measure would also expand the programme beyond guayule development to plants such as jaboba and gopher weed that could provide other critical materials.

Reuter

Cautious approach to grain negotiations

BY NANCY DUNNE IN WASHINGTON

MOSCOW WAITED more than three weeks before officially accepting President Reagan's offer to negotiate a new long term grain sales agreement.

But in spite of this cool reaction, U.S. grain analysts say that Russia has good reasons for moving to the bargaining table.

The U.S. Agriculture Department has predicted a much-improved Soviet crop of 200m tonnes *this year* but also expects USSR imports to continue at high levels in coming years.

Replenish

The department says Moscow will need more grain to replenish its stocks and for increases in domestic livestock feeding. *Its* improved foreign exchange position will permit large purchases.

The predicted 200m-tonne harvest would be the best Soviet grain crop since 1978. Still, it is early days yet, and the department admits that its estimate could be very premature.

Producers here say that although the U.S. is the foremost purveyor of grain embargoes—partial and de facto — it is still the world's most reliable supplier because it has the most to supply.

In spite of the Payment-In-Kind programme, designed to reduce stocks and production, the U.S. would eargerly sell the USSR 20m tonnes a year. It is, in fact, hoping to negotiate higher minima than the 6-8m tonnes guaranteed in the agreement due to expire in September.

While Russia has reduced the U.S. share of its market from 70 per cent before the Carter embargo to about 20 per cent this year, it has not been fully satisfied with its other suppliers.

The Argentines, who have gained the most from the U.S. loss and will sell Russia 10m tonnes this year, have had labour and loading problems. The Soviets have complained about the quality of the wheat which they say has inadequate gluten strength.

They have also complained about the quality of EEC wheat, which is cheap enough because of subsidies, but deficient in its protein quality.

Canada has had labour problems, and because the Great *Lakes freeze in the winter, ships* cannot be loaded year round.

U.S. producers say they can offer the USSR the most efficient ports (provided a new maritime agreement is also negotiated), good quality products and reasonable prices.

Since Russia is likely to need exported grain for some years to come, it might do well to get an assured agreement now while the U.S. surplus is still immense and the administration is all but pleading to get rid of it.

● The value of U.S. farm exports in the year ending September 30 is forecast at $35.5bn, down $1bn from last month's forecast and about 9 per cent below last year.

The U.S. Agriculture Department said export unit values are projected to average 3-4 per cent below last year, while export volume is expected to fall 6 per cent to 148m tonnes.

Exports down

It said exports during the first half of the year (October-March) were valued at $13.1bn, down 17 per cent from a year earlier. Export unit values and volume were down 9 and 8 per cent respectively.

USDA said export unit values for the second half of the fiscal year may average above the first-half lows, mainly reflecting higher grain prices resulting from heavy participation in the U.S. acreage reduction programmes and smaller free stocks.

Trout farmers form association

TROUT FARMERS facing the prospect of over-production have formed the British Trout Association. They hope to popularise domestic use of trout—at present only half the fish marketed go to private households.

Commercial scale trout farming has been growing steadily in Britain since 1960. Production reached 1,000 tonnes in 1974, doubled by 1977 and reached 7,000 tonnes in 1982. Output is likely to reach 12,000 tonnes by 1985.

Even if the 1985 target is reached, per capita consumption would amount to no more than 7 oz per person per year. A survey carried out for the association showed that 36 per cent of respondents had never eaten trout at all and that only 17 per cent of the sample had ever bought it to cook

At present, 40 per cent of trout sold is bought by the catering trade, 40 per cent through retail outlets and 15 per cent is sold at the farm gate.

PRICE CHANGES

In tonnes unless stated otherwise	May 18 1983	+ or —	Month ago
Metals			
Aluminium	£880	......	£880
Free Mkt	$1480 1490	......	$1550/580
Copper			
Cash h grade	£1147	+3.75	£1093
3 mths	£1176.25	+4	£1128.25
Cash Cathode	£1111	+5	£1077.5
3 months	£1141.75	+3.75	£1099.5
Gold troy oz	$443.5	+0.5	$434.5
Lead Cash	£277.25	—0.25	£295
3 months	£287.75	—0.5	£306.25
Nickel	£4526.5	......	£4853
Free mkt	230/260c	......	210/240c
Palladium	$155.25	+0.75	$126.00
Platinum	£290.45	+0.85	£269.20
Quicksilver†	$285/295	......	$360/328
Silver troy oz	855.55p	+20.80	755.65p
3 mths	876.95p	+21.60	783.75p
Tin cash	£8587.5	—25	£8875
3 month	£8733	+15.5	£8825
Tungsten	$88.68	+2.8	$83.22
Wolfram 22.04 lb	$89.91	......	$89/91
Zinc Cash	£475	+3	£450.5
3 mths	£488.75	+2.5	£465.25
Producers	$760	......	$750

	May 18 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$510y	—7.5	$575
Groundnut	$546z	......	$490
Linseed Crude	£315y	......	£322
Palm Malayan	$432.5x	—7.5	$425
Seeds			
Copra Phil	$490z	......	$385
Soyabean (U.S.)	$257.5	+0.5	$255
Grains			
Barley Fut. Sep	£109.95	—0.50	£111.85
Maize	£147.00	—0.5	£145.50
Wheat Fut. Jul	£135.55	—0.45	£135.70
No2 Hard Wint.	‡	......	‡
Other commodities			
Cocoa ship't*	£1406	—7	£1312
Fut. July	£1367.5	—7	£1271.5
Coffee Ft. July	£1638	—30.5	£1590.5
Cotton A. Index	82.65c	+0.75	80.60c
Gas Oil June	$236.5	+1	$247.5
Rubber (kilo)	75p	—1	76p
Sugar (Raw)	$146yw	—2	£113
Woolt'ps 64s.	386p kilo	......	394p kilo

‡ Unquoted. x June. w July. y May-June. z June-July. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.20-28.30	—
Iranian Light	27.75	+0.05
Arabian Heavy	25.75-25.85	—
North Sea (Forties)	29.05-29.20	+0.10
North Sea (Brent)	29.25	+0.15
African (Bonny L'ht)	29.50-29.65	+0.15
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	295-303	+4.0
Gas oil	233-245	+2.0
Heavy fuel oil	161-165	—

GAS OIL FUTURES

The market opened unchanged and eased back in light trading before dropping further to reflect the weaker New York opening. Lack of follow-through selling in New York caused the market to stage a light rally in late trading, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	237.50	+0.50	237.50-35.75
June	236.50	+1.00	238.75-33.75
July	235.50	+0.50	235.75-35.00
Aug	237.50	—	238.00-35.50
Sept	240.00	+0.50	240.00-37.50
Oct	243.00	—	241.75-40.50
Nov	245.50	—0.50	244.00
Dec	248.50	—1.00	248.50-47.00
Jan	252.50	—	—

Turnover: 1,809 (3,169) lots of 100 tonnes.

GOLD MARKETS

Gold rose $½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $443-444. The metal opened at $442-443 and traded between a high of $444¼-445¼ and a low of $441½-442. It showed a firmer tendency after the opening in New York, spurred on by demand for silver. Prices fell back towards the close however.

In Frankfurt the 12½ kilo bar was fixed at DM 35,080 per kilo ($443.73 per ounce) against DM 34,800 ($438.71) previously and closed at $442¼-443¼ from $440½-441½.

In Paris the 12½ kilo bar was fixed at FFr 105,200 per kilo ($441.78 per ounce) in the afternoon compared with FFr 105,100 ($441.27) in the morning and FFr 104,700 ($438.47) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $442.65 from $437.50.

In Zurich *gold finished* at $442-445 from $438-442.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
May	443.00-44.0	+5.750	—
June	444.70-45.0	+5.550	446.40-42.4
July	448.00-48.8	+5.900	—
August	451.60-51.8	+5.900	452.00-50.5
Sept	455.00-55.7	+5.900	—
Oct	458.00-58.8	+5.850	—
Nov	461.00-62.5	+5.800	—

Turnover: 554 (534) lots of 100 troy ounces.

	May 18		May 16	
Gold Bullion (fine ounce)				
Close	$443-444	(£284¼-285)	$442½-443½	(£284½-285¼)
Opening	$442-443	(£283½-284¼)	$437½-438½	(£281-281¾)
Morning fixing	$442.15	(£283.030)	$437.50	(£281.170)
Afternoon fixing	$442.75	(£283.578)	$440.75	(£283.568)

Gold Coins May 18					
Krugrnd	$456½-457¼	(£293-293½)	King Sov	$105½-107	(£67¾-68¾)
½ Krg	$235-236	(£150¾-151½)	Victoria Sov	$105½-107	(£67¾-68¾)
¼ Krg	$122½-123½	(£78¾-79¼)	French 20s	$89-91	(£57-58¼)
1/10 Krug	$48¾-49¾	(£31¼-32)	50 pesos Mex	$547-549	(£351-352¼)
Mapleleaf	$455-456	(£292-292½)	100 Cor. Aust	$432-435	(£277¼-279¼)
New Sov	$103¾-104½	(£66½-67)	$20 Eagles	$560-570	(£359¼-365¾)
½ New Sov	$62½-64½	(£40-41¼)			

EUROPEAN MARKETS

ROTTERDAM, May 18.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter, May 161, June 161, July 156, Aug 158, *Sept* 160. U.S. Two Northern Spring 14 per cent protein, May 189, June 184.50, July 182, Aug 176.50, Sept 176.50. U.S. Three Amber Durum, May 208, June 204, July 200, Aug 195, Sept 193. Canadian Western Spring, Nov 213.

Maize—(U.S. $ per tonne): U.S. Three Yellow, May 147, June 144.50, July 144.50, Aug 142.50, *Sept* 140.50, July/Sept 142.50, Oct/Dec 133.50, Jan/March 140.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports, May 249.75, June 249.75, July 251, Aug 253, Sept 255, Oct 256.75, Nov 258.75, Dec 259.50, Jan 263.25, Feb 267.75, March 270.25 sellers

Soyameal—(U.S. $ per tonne): 44 per cent, afloat 216, May 215, June 215.50, May/Sept 216, June/Sept 218, Oct 223, Oct/Dec 226, Nov/March 231.50 sellers. Pellets Brazil, afloat 221 to 223 (depending on position), May 217.50, June 218, July 219, May/Sept 221, June/Sept 221 sellers. Pellets Argentine afloat 217, May 216, June 216, July 218.50, June/Sept 218.50 sellers.

Sugar—(FFr per tonne): July 2080/2090, Aug 2085/2087, Oct 2170/2176, Nov 2180/2190, Dec 2245/2255, March 2391/2395, May 2445/2465, July 2475/2495.

PARIS, May 18.

Cocoa—(FFr per 100 kg): May 1500/1540, July 1540/1590, Sept 1616/1620, Dec 1645/1655, March 1670 bid, May 1695 bid, July 1710 bid.

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL prices put up widely varying performances on the London Metal Exchange. Copper drifted lower in early trading, but recovered sharply in the afternoon and closed the late Kerb at £1,176. Tin was also actively traded, with support buying pushing the price steadily forward throughout, to a closing level of £8,732.5. Nickel mirrored the performance of copper, falling sharply in the morning and rallying to close at £3,377.5. Lead was finally £288 after a quiet day. Zinc closed at £489.5 and Aluminium at £973.75.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1137-.5	+2	1146.5-7.5	+3.75
3 months	1165-.5	+1	1176-.5	+4
Settlem't	1137.5	+2	—	......
Cathodes				
Cash	1601-3	+2.5	1110-2	+5
3 months	1132.5-33.5	+2.5	1141.5-2	+3.75
Settlem't	1103	+2	—	......
U.S. Prod.	—	—	*84-87	......

Amalgamated Metal Trading reported that in the morning higher grade cash copper traded at £1,137, three months £1,168, 67, 66, 65, 64, 65, 66, 65, 65.50, 65. Cathodes: Three months £1,133. Kerb: Higher Grade: Three months £1,166.50, 67, 67.50, 68, 68.50. Afternoon: Higher Grade: Three months £1,177, 77.50, 78, 79, 78.50, 78, 77.50, 76, 76.50, 76, 76.50. Kerb: Higher Grade: Three months £1,177, 77.50, 77, 76.50, 76, 75.50, 76, 74.50, 75, 75.50, 76. Turnover: 27,625 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8595-600	—3.5	8585-90	—25
3 months	8725-8	+15	8735-40	+28
Settlem't	8600	—2	—	......
Standard				
Cash	8590-5	—5.5	8585-90	—25
3 months	8725-8	+15	8732-4	+15.5
Settlem't	8595	—7	—	......
Straits E.	$30.78	+0.01	—	......
New York				

Tin—Morning: Standard, cash £8,590, 95, three months £8,720, 25, 27, 25, 26. *High Grade, cash £8,600, three* months £8,725. Kerb: Standard: Three months £8,725. Afternoon: Standard, three months £8,730, 35. Kerb: Standard, three months £8,730. Turnover: 2,145 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	275-.5	+1.37	277-.5	—.25
3 months	285-.25	—1.12	287.5-8	—.5
Settlem't	275.5	—1	—	......
U.S. Spot	—	......	*20-24	......

Lead—Morning: Three months £287.50, 87, 86.50, 86, 86.25, 86. Kerb: Three months £286, 86.50. Afternoon: Three months £287.50, 88, 87.50, 87, 87.50, 88. Kerb: Three months £288. Turnover: 5,600 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	471.5-2	+1.25	474.5-5.5	+3
3 months	485.5-6	+1	488.5-9	+2.5
Settlem't	472	+1	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Cash £471.50. Three months £485, 86, 85.50. Kerb: Three months £485.50, 86. Afternoon: Three *months £487, 87.50, 88, 89, 88.50, 88,* 88.50. Kerb: Three months £489, 90. Turnover: 11,950 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	941-2	—1	945-6	—1
3 months	970.5-1	—.5	973.5-4	—1

Aluminium—Morning: Three months £971, 71.50, 71, 70.50. Kerb: Three months £970. Afternoon: Three months £974, 73.50, 74, 73.50, 74, 73, 73.50. Kerb: Three months £974, 73, 73.50, 73. Turnover: 14,150 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3257-60	—40.5	3270-80	—22.5
3 months	3345-50	—49	3360-5	—30

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel — Morning: Three months £3,345, 50, 45. Afternoon: Three months £3,370, 80, 90, 88, 85, 90, 80, 73, 70, 65, 60. Kerb: Three months £3,370. Turnover: 1,644 tonnes.

SILVER

LME—Turnover: 132 (167) lots of 10,000 ozs. Morning: Three months 878, 78.5, 77, 77.5, 78.5, 77, 76.5. Kerb: Nil. Afternoon: Three months 896, 97, 98, 93, 94. Kerb: Three months 895, 94, 92, 91.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	855.35p	+20.8	871p	+15.5
3 months	876.95p	+21.8	894.25p	+18
6 months	898.05p	+22.5	—	......
12 months	936.00p	+22.5	—	......

Silver was fixed 20.8p an ounce higher for spot delivery in the London bullion market yesterday at 855.35p. U.S. equivalents of the fixing levels were: spot $13.38, up 39.8c; three-month $13.657, up 40.8c; six-month $13.95, up 41.2c; and 12-month $14.49, up 41.6c. The metal opened at 859½-862p ($13.40-13.44) and closed at 871½-874p ($13.58-13.62).

COCOA

After trading within a £20 range futures closed on a quiet note at the mid-point of that range. Producers *were not attracted at current levels* whilst consumers again stood on the sidelines, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£per tonne		
May	1530-35	—0.5	1535-25
July	1557-58	—7.0	1578-60
Sept	1579-80	—8.0	1592-73
Dec	1394-96	—9.0	1404-87
March	1403-04	—11.0	1416-00
May	1412-14	—11.5	1424-05
July	1422-25	—10.5	1434-50

Sales: 4,302 (6,962) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for May 18: 93.77 (94.14); *five-day average for* May 19: 91.67 (90.65).

COFFEE

Erratic trading in the spot position created a £150 range for the May contract, reports Drexel Burnham Lambert. Continued dealer selling prompted weakness in other positions and despite a rally prices retreated to finish on the lows.

COFFEE	Yest'day's Close	+ or —	Business Done
May	1952-57	—52	2000-850
July	1636-40	—30.6	1666-37
Sept	1583-85	—26.6	1613-82
Nov	1551-55	—8.0	1568-50
January	1520-25	—2.5	1534-25
March	1495-97	—1.0	1503-00
May	1470-75	—2.5	1482-70

Sales: 3,682 (5,419) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for May 17. Comp. daily 1979: 127.10 (126.25). 15-day average: 124.92 (124.71).

GRAINS

Old crop wheat came under aggressive shipper selling pressure in May. Old crop barley was thin with long liquidation. New crops saw heavy merchant and shipper selling pressure with scale down speculative buying and profit-taking at the lower levels, reports Muirpace.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'd'ys close	+ or —
May	134.40	—1.30	119.10	—0.30
July	135.55	—0.45	—	—
Sep	115.40	—0.35	109.95	—0.50
Nov	118.65	—0.45	113.00	—0.50
Jan	122.05	—0.30	116.45	—0.45
Mar	124.95	—0.35	119.15	—0.40

Business done—Wheat: May 135.30-4.90, July 136.00-5.40, Sept 116.65-6.15, Nov 119.15-8.70, Jan 122.15-1.95, March 125.15-4.80. Sales: 366 lots of 100 tonnes. Barley: May 119.50-9.00, Sept 110.35-09.95, Nov 113.50-2.90, Jan 116.60-6.50, March 119.40-9.00. Sales: 181 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent, June 129.75, July 127.75, Aug 125.50, Sept 124.25 transhipment East Coast sellers. English feed fob, Sept 120.25, Oct/Dec 123.25, Jan/March 128, April/*June 131.50 East Coast sellers. Maize:* French, May/June 147 transhipment East Coast seller. Barley: English feed fob, Sept, Scottish 113, English 114, English Oct/Dec 118 sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 124.00, Scotland 120.30. The UK monetary coefficient for the week *beginning* Monday, May 23 will be decided at a meeting in Brussels on Thursday, May 19.

POTATOES

Heavy selling resulted in prices quickly falling to £9 down (basis April). *Fresh buying moved values* back to around overnight levels but they again fell on profit-taking and technical selling towards the close, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Nov	97.50	100.40	102.6-96.0
Feb	117.50	119.50	120.8-115.8
April	140.50	145.00	144.5-138.5
May	150.70	154.00	154.5-148.8
Nov	75.00	77.50	76.00

Turnover: 2,013 (1,574) lots of 40 tonnes.

RUBBER

The physical market opened easier, attracted little interest throughout the day and closed dull. Lewis and Peat reported a June fob price for No. 1 RSS in Kuala Lumpur of 239.5 (241.0) cents a kg and SMR 20 226.0 (227.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
June	759-760	765-785	—
July	758-760	772-775	770-762
Jly-Sept	753-755	760-761	761-742
Oct-Dec	752-754	759-760	760-745
JanMch	765-767	771-772	765-758
Apl-Jne	778-781	784-787	779-776
Jly-Sept	796-797	800-804	—
Oct-Dec	812-815	815-819	—
JanMch	832-835	832-857	830

Sales: 341 (348) lots of 15 tonnes, 21 (54) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 75.00p (76.00p); June 72.75p (73.75p); July 73.25p (74.25p).

SOYABEAN MEAL

The market opened £1 easier on commission house selling, reports T. G. Roddick. Trade buying lifted values and the market closed steady.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
June	140.40-40.9	—0.05	140.50-40.00
August	140.80-41.1	—0.40	141.50-40.40
October	144.80-45.0	—0.45	145.20-44.50
Dec	150.60-50.8	—0.05	151.20-50.20
Feb	155.00-56.0	+0.40	156.50-54.50
April	157.00-57.2	+0.78	157.20-55.90
June	158.00-58.5	+1.46	158.00

Sales: 195 (68) lots of 100 tonnes.

SOYABEAN OIL — *Prices remained* steady with interest concentrated on nearby positions. Close (U.S.$ per tonne): June 433.00, 438.00, 437.00-436.00; Aug 449.50, 451.50, 450.00; Oct 459.00, 468.00, untraded; Dec 468.00, 477.00, untraded; Feb 475.00, 490.00, untraded; April 485.00, 502.00, untraded; June 495.00, 515.00, *untraded. Sales: 75 (0) lots of 25 tonnes.*

SUGAR

LONDON DAILY SUGAR—Raw sugar £146.00 (£148.00) a tonne cif May-June-July shipment. White sugar £173.00 (£176.00).

The record volume in New York on *Tuesday of over 1.5m tonnes provoked* chartist profit-taking yesterday. Further buying interest was lacking and prices fell about £4 from overnight levels, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
Aug	159.50-59.75	163.75-64.00	164.50-58.00
Oct	168.50-68.40	175.00-75.25	174.00-68.75
Dec	174.25-75.00	178.75-80.00	180.00-75.00
Mar	185.75-85.90	189.00-89.50	187.75-81.50
May	188.50-89.00	192.10-92.75	195.00-87.00

Sales: 10,432 (8,757) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £254.50 (£256.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for May 17: Daily price 9.36 (8.86): 15-day average *8.09 (7.96).*

COTTON

LIVERPOOL—Spot and shipment sales amounted to 40 tonnes. Slow trading persisted, with relatively little activity experienced. Demand faltered amid growing political arguments, and interest was confined to specialist growths in the Middle East and more normal varieties from North America.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 440 seller only, nil; Aug 447, 48, 48; Oct 446, 448, 447-446; Dec 446, 448, 447; Jan 447, 50, 449-448; March 450, 456, 455-454; May 459, 463, 463-462; Aug 467, 472, 473-471; Oct 470, 475, 473. Sales: 51.

SYDNEY GREASY WOOL—Close (in *order: buyer, seller, business*). Australian cents per kg. May 562.0, 564.0, 566.0-564.0; July 582.0, 582.0, 585.0-582.0; Oct 573.0, 574.0, 575.0-574.0; Dec 584.0, 587.0, 585.0-584.0; March 605.0, 606.0 606.0-604.0; May 612.5, 613.0, 615.0; July 626.0, 630.0, 626.0; Oct 610.0, 625.0, untraded. Sales: 124.

HIDES

Manchester (Leeds). Second clears. Ox: 31-35.5 kg, 74.3p a kg (73.5p); 26-30.5 kg, 78.2p a kg (75.5p withdrawn): 22-25.5 kg, 87.8p a kg (87.1p withdrawn). Light cows: 25.5 kg, 82.0p a kg withdrawn (82.3p).

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 73.5p a kg (72.0p): 26-30.5 kg, 76.5p a kg withdrawn (75.4p): 22-25.5 kg, 87.1p a kg withdrawn (88.1p). Cows 25.5 kg, 82.3p a kg (80.0p withdrawn).

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 104.66p per kg, lw (+6.20). GB—Sheep 244.79p per kg, est dcw (+2.02). GB—Pigs 74.15p per kg lw (+4.41).

SMITHFIELD — Pence per pound. Beef—Scotch killed sides 78.6-83.8; English hindquarters 99.5-104.8, forequarters 52.8-56.5. Veal—Dutch hinds and ends 121.0-125.0. Lamb—English small 113.8-117.3, medium 111.8-114.8, heavy 105.7-108.7; Imported: New Zealand PL 59.5-60.3. Pork—English under 100 lb 37.5-51.0, 100-120 lb 42.5-49.0, 120-160 lb 42.7-47.0.

GRIMSBY FISH—Supply fair demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.60-£5.80, codlings £3.00-£4.50; large haddock £5.60, medium £4.20-£5.20, small £2.80-£3.80; medium plaice £6.50-£7.60, best small £4.20-£5.00; lemon sole (large) £10.00, (small) £8.50; rockfish £1.90-£2.00; saithe £3.30.

INDICES

FINANCIAL TIMES

May 17	May 16	M'th ago	Y'ar ago
275.32	274.04	270.71	259.81

(Base: July 1 1952=100)

REUTERS

May 18	May 17	M'th ago	Y'ar ago
1812.8	1810.4	1748.6	1565.4

(Base: September 18 1931=100)

MOODY'S

May 17	May 16	M'th ago	Y'ar ago
1066.5	1058.1	1045.7	1006.6

(December 31 1931=100)

DOW JONES

Dow Jones	May 17	May 16	Month ago	Year Ago
Spot	146.82	145.32	141.56	126.04
Fut's	151.48	150.27	145.63	127.76

(Base: December 31 1974=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Topaz—Jaffa: 4.20-5.20. Tangors—Jaffa: 6.00-6.50. Oranges—Jaffa: Valencia Lates 50 6.40, 60 6.10, 75 7.50, 88 7.55, 105 7.00, 123 6.40, 144 5.20, 168 5.10; Moroccan: Valencia Lates 4.80-6.60; *Cypriot*: Valencia Lates 4.00-6.50; Outspan: Navels 56 7.00, 72 6.50, 88 6.00, 112 5.50, 138 5.00. Lemons—Spania: tray 5 kg 25/50 1.80-2.40; Jaffa: carton 4.00-5.70; Outspan: carton 5.00-6.50. Grapefruit—Cypriot: 23/56 3.50-4.80; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.20, 48 5.20, 56 5.00, 64 5.00, 75 4.50, 88 4.35; U.S.: Ruby 7.50-9.00 according to size; Outspan: 36 4.20, 40/48 4.80, 56 4.50. Apples—New Zealand: 18 kg Golden Delicious 7.00-9.00, Red Delicious 9.00-10.00, Sturmer Pippins 9.00-10.50; Tasmanian: Cox's 12.50-14.00, Jonathan 9.00-10.00; Western Australian: Granny Smith 11.00; Cape: 18 kg Golden Delicious 8.00-10.50, Starking/Starkrimson 8.50-10.00, Granny Smith 9.00-10.50; U.S.: *Red Delicious 10.00-12.00; Chilean:* Granny Smith 18 kg 8.50-10.00, Starking 8.50-9.50; French: 18 kg Golden Delicious 5.00-5.50. Pears—Cape: 33 lb Packhams 7.50-9.00, Winter Nelis 6.00-7.50, Beurre Bosc 8.50-7.50, Comice 33 lb 7.00-10.50, trays 8 lb 3.00;

English Produce: Apples—per pound, Bramley 0.08-0.16, Crispin 0.08-0.12, Laxton 0.08-0.16. Strawberries—4-oz punnets 0.30-0.40. Potatoes—per bag 1.80-2.60. Mushrooms—per pound, open 0.60-0.70, closed 0.60-0.80. Lettuces—per tray 1.00-1.80, Cos 1.80-2.20. Onions—per 55 lb 2.50-7.00. Cabbages—per 25 lb 1.00-2.50; per 28/30 lb White/Red 1.50-2.40. Greens—28 lb, Kent 1.00-1.80. Carrots—per 26/28 lb 1.80-2.60. Swedes—per 28 lb 1.60-1.80. Leeks—per 10 lb 2.40-3.00. Cauliflowers—Kent, 12s 3.00-3.00. Rhubarb—per pound outdoor 0.08-0.19. Cucumbers—2.60-2.80. Tomatoes—Hothouse, per pound 0.25-0.35. Asparagus—per pound 1.00-1.80. Celery—4.60-5.50.

AMERICAN MARKETS

NEW YORK, May 18.

PRECIOUS METALS came under late selling pressure after early firmness on an easing of the tension in Syria and firmer Fed funds. Commission house buying encouraged by an increase in housing permits continued to support copper values. Heating oil market was somewhat higher in a market that saw limited action as traders stayed on the sidelines waiting for further developments on the Syrian crisis and Iranian discounting of crude oil. Sugar prices reached new highs after an early sell-off attracted new buying; late short-covering provided new support for the higher values. Cocoa was featureless and closed lower on light profit-taking as traders expected some further consolidation around present levels. Coffee prices finished moderately lower on lack of physical activity and speculative profit-taking. Maize was mixed on the close as long-range weather forecasts indicated a break in the recent wet and cold pattern, indicating the probability of a successful completion of planting. Wheat finished virtually unchanged while soyabeans rallied moderately on the close. Cotton prices moved erratically most of the day with selloffs attracting buying on news of further delays in the planting of the Delta crop, reported Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	1967	1990	1965	1992
Sept	2002	2018	1993	2021
Dec	2021	2039	2015	2043
March	2035	2051	2034	2054
May	2056	2071	2071	2075
July	2081	—	—	2100

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	131.67	132.00	130.25	132.00
July	128.00	128.50	127.70	128.51
Sept	126.29	126.75	125.80	126.88
Dec	124.40	124.77	124.07	124.88
March	121.30	121.80	121.30	122.51
May	119.25	—	—	119.44
July	115.73	116.25	116.25	116.25
Sept	114.63	114.50	114.50	114.89

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
May	80.05	80.55	78.90	79.20
June	80.25	80.30	79.80	79.50
July	80.95	81.50	80.25	80.25
Sept	82.30	82.80	81.60	81.65
Dec	84.10	84.70	83.60	83.50
Jan	84.65	85.00	84.80	84.05
March	85.75	86.15	85.25	85.20
May	*86.85*	*87.50*	*86.30*	*86.30*
July	87.85	88.10	88.00	87.40
Sept	89.05	89.65	89.20	88.50

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	73.92	74.90	73.80	74.35
Oct	74.80	75.60	74.80	75.40
Dec	75.20	76.00	75.12	75.75
March	76.35	77.05	76.40	76.88
May	76.75	77.40	77.28	77.28
July	77.50	*77.77*	*77.77*	78.10
Oct	77.00	—	—	77.39

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	440.1	443.0	442.0	443.1
June	*441.2*	*446.8*	*441.0*	*444.3*
July	444.5	446.0	446.0	447.6
August	447.8	453.5	447.2	450.9
Oct	454.6	460.3	454.5	457.7
Dec	461.6	467.4	461.5	464.7
Feb	468.7	471.0	469.5	471.8
April	476.0	480.0	475.3	479.1
June	483.4	489.0	485.0	486.5
August	491.0	495.0	492.8	494.1
Oct	498.8	503.0	502.8	501.9
Dec	506.6	511.0	508.9	509.9
Feb	515.0	—	—	518.1

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
June	77.28	77.40	76.65	77.30
July	76.27	76.55	75.55	76.38
August	76.90	*77.25*	*76.40*	77.22
Sept	78.04	78.20	77.40	78.10
Oct	79.06	79.20	78.40	79.10
Nov	79.85	80.10	79.40	80.00
Dec	80.90	80.90	80.35	81.15
Jan	81.20	81.00	81.00	81.65
Feb	80.80	—	—	81.30
March	80.80	—	—	81.30

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	116.25	116.50	115.05	115.70
Sept	115.00	115.45	114.10	114.45
Nov	110.50	110.50	109.50	109.70
Jan	104.70	105.00	103.50	103.80
March	103.95	104.70	103.40	103.77
May	103.95	104.10	104.00	103.50
July	104.20	104.75	103.50	103.55
Sept	*104.20*	—	—	103.55

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	449.5	—	—	454.2
July	450.5	460.5	450.0	455.2
Oct	456.0	466.0	465.0	460.3
Jan	462.7	471.5	463.0	466.7
April	469.4	482.0	474.4	473.1
July	477.0	492.0	492.0	490.7

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	1343.5	1371.0	1341.0	1349.0
June	1346.5	1371.0	1351.0	1354.0
July	1357.5	1388.0	1354.0	1364.0
Sept	1378.5	1408.0	1375.0	1384.2
Dec	1410.0	1442.0	1406.0	1415.0
Jan	1420.5	1425.0	1425.0	1425.3
March	1441.5	1465.0	1441.0	1445.9
May	1463.3	1471.0	1471.0	1467.3
July	1485.1	1505.0	1500.0	1488.7
Sept	1506.1	1540.0	1522.0	1511.2

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	10.18	10.25	9.75	10.00
Sept	10.59	10.60	10.15	10.40
Oct	*10.84*	*10.87*	*10.41*	10.63
March	11.97	11.99	11.56	11.71
May	12.35	12.38	11.87	12.06
July	12.74	12.77	12.23	12.38
Sept	12.93	12.65	12.60	12.58
Oct	13.04	13.10	12.80	12.86

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
June	67.42	67.90	67.32	67.72
Aug	64.67	65.25	64.65	65.07
Oct	61.22	61.65	61.20	61.57
Dec	61.72	62.10	61.52	62.05
Feb	61.65	*61.95*	*61.52*	*61.80*
April	62.52	62.75	62.52	62.60

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
June	50.47	51.12	50.40	51.30
July	50.40	50.95	50.35	51.02
Aug	47.60	48.07	47.55	48.00
Oct	44.17	44.80	44.10	44.70
Dec	*44.80*	*44.95*	*44.50*	*44.85*
Feb	46.40	46.40	45.85	46.45
April	45.17	45.45	44.90	45.40
June	47.55	47.55	47.55	47.40
July	47.70	47.70	47.00	47.00

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
May	312.0	312.2	308.4	306.6
July	307.4	308.6	306.0	306.4
Sept	298.6	—	297.2	298.2
Dec	289.4	292.0	288.6	290.6
March	298.4	300.6	297.4	299.6
May	306.2	308.4	306.0	307.6
July	311.2	314.0	311.0	312.4

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
May	66.32	68.00	*66.32*	*69.32*
July	64.90	66.40	64.90	66.90
Aug	62.47	64.00	62.47	64.47
Feb	62.17	63.30	62.05	63.65
March	62.60	63.15	62.30	63.80
May	63.80	64.00	63.30	65.00
July	62.20	62.20	62.20	64.10
Aug	61.85	61.85	61.85	62.00

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
May	622.4	625.0	619.4	620.4
July	635.0	637.4	631.0	632.4
Aug	639.4	643.0	637.0	638.2
Sept	645.0	648.4	642.0	644.0
Nov	655.4	659.4	651.6	655.0
Jan	667.0	672.0	664.4	667.2
March	680.0	685.0	678.0	680.4
May	691.0	696.0	690.0	690.4
July	701.0	705.4	—	700.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	181.0	181.5	178.2	178.5
July	184.2	184.5	183.0	183.6
Aug	185.5	186.0	184.5	185.2
Sept	187.7	188.0	186.5	187.3
Oct	189.3	189.6	188.4	188.5
Dec	193.8	194.2	192.6	193.5
Jan	195.8	196.5	195.0	195.7
March	201.0	201.0	199.7	201.0
May	202.5	202.5	202.5	203.0
July	206.1	206.1	206.0	205.7

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
May	19.37	19.40	19.20	19.23
July	19.63	19.66	19.45	19.49
Aug	19.75	19.77	19.59	19.65
Sept	19.90	19.92	19.74	19.78
Oct	20.00	20.03	19.88	19.92
Dec	20.38	20.43	20.21	20.20
Jan	20.55	20.55	20.42	20.44
March	20.85	20.85	20.75	20.80
May	21.15	21.15	21.10	21.15

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
May	348.2	348.4	346.4	347.0
July	355.2	356.4	353.2	355.2
Sept	365.2	366.4	363.2	365.0
Dec	381.0	381.4	378.6	380.2
March	392.0	393.4	390.2	392.0
May	396.2	397.4	396.0	396.4
July	396.4	397.4	395.4	396.4

SPOT PRICES—Chicago loose lard 17.00 (same) cents per pound. New York tin 618.0-624.0 (616.0-622.0) cents per pound. Handy and Harman silver bullion 1357.0 (1351.0) cents per troy ounce.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99½	98½	Treasury 9¼pc '83	99½	......	9.27	10.29
102½	100½	Exch. 13½pc '83	101½xd	......	13.29	10.33
100½	98½	Exch. 10pc 1983	100xd	......	10.00	10.05
97⅛	96¼	Funding 5½pc '82-84‡‡	97⅛	+⅛	5.65	10.04
101¼	99½	Exch. 11¼pc 1984	100½	−⅛	11.18	10.29
104⅛	102½	Exchequer 14pc 1984	103½xd	......	13.53	10.23
95½	92½	Exch. 3pc 1984	95⅛xd	+¼	3.16	8.09
102½	100⅛	Treasury 12pc 1984	102¼	......	11.74	10.10
107½	105⅛	Treasury 15pc 1985	106⅞	......	14.03	10.58
107	101⅛	Exch. 12pc Cnv. '85	103¾	......	11.57	9.68
90⅞	88⅝	Treasury 3pc 1985	90¾xd	+⅛	3.29	8.09
102½	99⅞	Treasury 11½pc 1985	101⅜	......	11.35	10.73
102	95	Treas 8¼pcCnv '85	96½	+⅛	9.83	10.29
103⅝	100⅛	Exch. 12¼pc 1985	103¼xd	+⅛	11.87	10.78
102½	99½	Exch. 11¾pc '86	102⅛	+⅛	11.50	10.81
88½	85⅝	Treasury 3pc 1986	86½xd	+⅛	3.44	8.02
67½	66	Exch. 10½pcCv.'86 (£65pd)	66⅞	+⅛	10.49	10.44
103½	100½	Treasury 12pc '86	103xd	+⅛	11.66	10.83
97½	94⅞	Treasury 8½pc '84-86‡‡	95⅛	+⅛	8.91	10.28
112¼	103¼	Treas. 12¼pc '86 Cnv.	109⅜	+⅛	11.20	8.79
109½	105½	Exch. 14pc 1986	108½	+⅛	12.92	11.02
107¼	103⅝	Exch. 13¼pc 1987	106½	+⅛	12.46	11.09
84½	81¼	Exchequer 2½pc 1987	81½	+⅛	3.07	8.37
100½	95⅞	Exch. 10½pc 1987	98½	+⅛	10.65	10.94
99⅛	97¼	Exch. 10½pc 1987A	98⅜	+⅛	10.67	11.00
93¼	89⅞	Funding 6½pc '85-87‡‡	89⅞	......	7.27	9.80
81⅞	81⅛	Treasury 3pc 1987	81⅜	+⅛	3.69	8.42
104⅝	99⅞	Treas 12pc 1987	102¼	+⅛	11.67	11.15
93¼	89⅞	Treasury 7¾pc '85-88‡‡	90½	+⅛	8.56	10.34
101½	95½	Exch 10½pc '88	97¼xd	+⅛	10.74	11.08

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

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1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
346	344	Initial	360	-1	†10.75	2.5	4.3	11.1
45	27	Inter-City 20p	33		—	—	—	—
180	158	[illegible]	178		μ4.0	1.8	3.2	24.7
208	165	Jacksons Bourne	173		5.0	3.1	4.1	11.2
28½	19	James Inds. 10p	24½		1.25	ϕ	7.6	ϕ
160	119	♦Jardine M HK$5	128		Q80c	ϕ	6.5	ϕ
34	18	Jenks & Cattell	31xd		1.06	ϕ	4.7	ϕ
348	282	Johnson Clnrs.	296	-2	10.8	2.8	5.2	8.5
340	293	Johnson Mthy. £1	325	+8	10.0	1.9	4.4	14.2
340	238	Johnston Grp. 10p	340	+3	6.0	5.0	2.6	11.3
102	87	Jourdan (T.) 10p	100		5.6	1.2	8.0	13.8
59	39	Kalamazoo 10p	52		2.5	0.9	6.9	23.3
210	140	Kelsey Inds.	170		8.0	1.7	6.7	11.7
140	110	Kershaw (A.) 5p	135		15.8	0.6	15.9	[illegible]
54	39	Kleen-E-Ze Hldgs.	53		13.0	0.2	8.1	—
74	52	L.C.P. Hlds	70		3.6	0.6	7.3	[illegible]
136	103	L.R.C. Int. 10p	119		5.1	2.0	3.7	20.1
30	17	Lamont Hldgs. 10p	28		1.3	1.8	6.6	11.0
37	26	Lawtex	35		—	—	—	—
410	350	Lep Group 10p	350		17.5	1.7	7.1	[illegible]
36	22	Lilleshall 10p	35	-1	d1.0	—	4.1	—
700	164	Lon. & Liv. 10p	164	-20	5.5	ϕ	4.9	ϕ
128½	102	London & Midl'd	125	+1	7.75	2.2	8.9	[illegible]
71	55	Lon. & Nthn. Grp.	71		†3.75	2.1	7.5	7.6
40	28½	♦Lon. Priv. Health	28½		—	—	—	14.3
9½	7½	Long Hmbly. 10p	9½		♦8—	—	—	—
65	46	Longton Inds.	53	+1	1.0	—	2.7	—
110	70	Low & Bonar 50p	94		5.0	0.6	7.6	[illegible]
26	16	M.Y. Dart. 10p	19		0.1	—	0.8	—
212	138	M'c'rthy Ph. 20p	138		7.0	2.5	7.2	6.9
146	128	Macfarlane Gp.	140	-1	3.52	2.1	3.6	17.1
46	41	Maclellan 20p	41		d1.5	1.6	5.4	14.4
63	48	Macpherson (D.)	59	+1	4.2	0.6	10.2	[illegible]
54	47	Magnolia Group	51		2.3	3.2	6.4	6.8
180	65	Man. Ship Can. £1	140	-8	3.5	6.8	3.7	4.2
73	48	Marley	62	+1	2.5	0.5	5.8	[illegible]

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Miscellaneous

NOTES

previous total. a Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
			Exch. 15pc 1983	£100	
Albany Inv. 20p	58	+2	Nat. 9¼% 84/89	£87½	
Bdg'wtr. Est. 50p	268		Fin. 13% 97/02	£97¼	
Craig & Rose £1	£12		Alliance Gas	103	
Finlay Pkg. 5p	36		Arnott	208	
Graig Shp. £1	£21		Carroll (P.J.)	107	
Higsons Brew	107		Concrete Prods.	52	
Holt (Jos) 25p	910		Heiton (Hldgs.)	16	
I.O.M. Stm. £1	102		Irish Ropes	36	+4
Pearce (C. H.)	£14		Jacob	75	+3
Peel Hldgs.	200		T.M.G.	70	
			Unidare	73	

OPTIONS

3-month Call Rates

G.K.N.	16	Turner & Newall	4½	Lonrho	8½
Hawker Sidd	34	Unilever	88	Rio T. Zinc	55

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 43

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound firm in thin trading

Foreign exchange trading was very quiet and thin. The dollar moved within a narrow range throughout the day in Europe, but moved up shortly after the London close.

Sterling had a slightly firmer tone, supported by continuing expectations of a Conservative win in the general election, but the uncertainty of the political situation contributed to the low level of trading.

DOLLAR — Trade-weighted index (Bank of England) 122.1 against 125.3 six months ago. The dollar has remained firm as recurring hopes of a steady reduction in the Federal Reserve discount rate have been repeatedly dashed. Signs of U.S. economic growth and inconsistent money supply figures again threaten to disappoint the market, which had been hoping for a lowering of the discount rate ahead of the Williamsburg Summit.

The dollar rose to DM 2.4610 from DM 2.4595 against the D-mark; to FFr 7.4025 from FFr 7.3950 against the French franc; to SwFr 2.0460 from SwFr 2.0450 in terms of the Swiss franc; but fell to Y232.50 from Y233.05 against the Japanese yen.

STERLING—Trading range against the dollar in 1983 is 1.6245 to 1.4540. April average 1.5421. Trade-weighted index 83.8 against 83.9 at noon, and at the opening, 83.7 at the previous close, and 87.9 six months ago. Sterling has been much steadier of late as oil price worries have faded into the background. Election nerves have left the pound looking vulnerable at times, but the large lead of the Conservatives in the opinion polls is acting as a sedative.

Sterling opened around its highest level of the day against the dollar, and traded within a narrow range of $1.5570 to $1.5640, before closing at $1.5585-1.5595, a rise of 20 points on the day.

The pound rose to DM 3.84 from DM 3.8325; to FFr 11.54 from FFr 11.51; and to SwFr 3.1925 from SwFr 3.1875; but fell to Y362.50 from Y363.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. April average 2.4413. Trade-weighted index 129.3 against 125.8 six months ago. The D-mark remained weak against its European partners for slightly over a month after the realignment of the system in late March, but with economic fundamentals continuing to favour the German currency it is showing signs of renewed strength which may well pose further problems for the EMS later this year.

The D-mark was a little stronger against most currencies at yesterday's fixing in Frankfurt in mostly quiet trading. The dollar fell to DM 2.4595 from DM 2.4675 and the French franc was lower at DM 33.205 per FFr 100 from DM 33.245. The Belgian franc was also lower at DM 5.0060 per BFr 100 from DM 5.0060 while sterling improved to DM 3.8420 from DM 3.8360.

BELGIAN FRANC—Trading range against the dollar in 1983 is 48.67 to 45.90. April average 48.61. Trade-weighted index 93.6 against 93.9 six months ago. The Belgian franc has been quite steady since the last EMS reshuffle, reflecting a continuation of the Belgian Government's austerity measures. This has allowed a small reduction in interest rates.

Last week saw further buying of foreign currencies by the Belgian National Bank, allowing a reduction in Belgium's short term debt to the European Monetary Co-operation fund of BFr 2.7bn to BFr 29.4bn. The D-mark rose to BFr 19.9755 from BFr 19.97 at yesterday's fixing in Brussels while the French franc slipped to BFr 6.6340 from BFr 6.6375. The dollar was lower at BFr 49.1350 from BFr 49.29 but sterling improved to BFr 76.7350 from BFr 76.5775.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.1883	+1.85	+0.66	±1.5430
Danish Krone ...	8.04412	8.06154	+0.22	−0.97	±1.6419
German D-Mark	2.21515	2.26229	+2.13	+0.94	±1.0587
French Franc ...	6.79271	6.81309	+0.30	−0.89	±1.4018
Dutch Guilder ...	2.49587	2.54381	+1.92	+0.73	±1.4941
Irish Punt	0.71705	0.715957	−0.15	−1.34	±1.6696
Italian Lira	1386.78	1346.89	−2.88	−2.88	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 18	£	$		£ Note Rates
Argentina Peso ..	121,287-121,437	77,880-77,930	Austria	26.90-27.20
Australia Dollar..	1.7630-1.7650	1.1310-1.1320	Belgium	76.50-77.25
Brazil Cruzeiro ..	735.25-736.25	471.93-474.29	Denmark	13.62-13.76
Finland Markka..	8.4600-8.4835	5.4290-5.4310	France	11.51-11.61
Greek Drachma..	[illegible]	83.90-84.05	Germany	3.82-3.86
Hong Kong Dollar	[illegible]	6.9900-7.0000	Italy	2260-2290
Iran Rial	[illegible]	84.90*	Japan	362-367
KuwaitDinar(KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr..	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar..	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr..	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth. African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

*Selling rates.

CURRENCY MOVEMENTS

May 18	Bank of England Index	Morgan Guaranty Change %
Sterling	83.8	−36.9
U.S. dollar	122.1	+11.6
Canadian dollar	90.7	−17.3
Austrian schilling	120.4	+30.2
Belgian franc	93.6	−2.0
Danish kroner	83.4	−10.7
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 18	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.694127	0.589067
U.S. $	8½	1.08388	0.920004
Canadian $	9.27	*	1.13234
Austria Sch	3¾	18.7652	15.9253
Belgian F	9½	53.2564	45.1883
Danish Kr	7½	9.49858	8.06154
D mark	4	2.66560	2.26229
Guilder	4½	[illegible]	[illegible]
French Fr	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn Kr	[illegible]	[illegible]	[illegible]
Spanish Pts	[illegible]	[illegible]	[illegible]
Swedish Kr	[illegible]	[illegible]	[illegible]
Swiss Fr	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]

*CS/SDR rate for May 17: 1.33126.

THE POUND SPOT AND FORWARD

May 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	153½-156	153¾-154¾	370-1545c dis	−74.49	650-2220dis	−37.21
Spain	214.00-214.90	214.05-214.25	210-300c dis	−14.29	695-780dis	−13.77
Italy	2,282-2,288	2,282½-2,284½	7-10lira dis	−4.47	29½-33½ dis	−5.52
Norway	11.07-11.11	11.08-11.09	2⅞-3⅞ore dis	−3.65	9½-10¼ dis	−3.54
France	11.53-11.58	11.53½-11.54½	1¾-2⅜c dis	−2.34	9-10½ dis	−3.38
Sweden	11.66-11.70	11.67-11.68	¾-1¼ore dis	−1.09	1¾-2½ dis	−0.73
Japan	361½-364½	362-363	1.35-1.15y pm	4.14	3.70-3.50 pm	3.97
Austria	26.90-27.10	26.95-27.00	14-11¾gro pm	5.73	38½-33½ pm	5.34
Switz.	3.18-3.21	3.18¼-3.19¾	1⅞-1⅛c pm	6.11	4⅞-4⅛ pm	5.79

Belgian rate is for convertible francs. Financial franc 76.75-76.85. Six-month forward dollar 0.84-0.79c pm. 12-month 1.40-1.25c pm.

THE DOLLAR SPOT AND FORWARD

May 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	98.00-99.40	98.80-99.40	250-1000c dis	−75.91	500-1500dis	−40.45
Spain	137.20-137.55	137.40-137.45	150-190c dis	−14.85	470-540dis	−14.70
Italy	1,463-1,465¼	1,464½-1,465¼	7½-8½lire dis	−6.46	25-26 dis	−6.97
Norway	7.1000-7.1170	7.1120-7.1170	2.90-3.40ore dis	−5.32	8.15-8.65dis	−4.73
France	7.3925-7.4125	7.4000-7.4050	2.30-2.45c dis	−3.85	8.20-8.60dis	−4.54
Sweden	7.4780-7.4910	7.4825-7.4875	1¼-1¾ore dis	−2.41	3.45-3.95dis	−1.98
Japan	232.05-233.05	232.45-232.55	0.55-0.50y pm	2.71	1.65-1.57 pm	2.77
Austria	17.28½-17.31½	17.28½-17.29½	6.70-5.90gro pm	4.37	19.00-16.50pm	4.10
Switz.	2.0405-2.0485	2.0455-2.0465	0.85-0.80c pm	4.84	2.45-2.40 pm	4.74

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 49.21-49.31.

EXCHANGE CROSS RATES

May. 18	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling	1.	1.559	3.840	362.5	11.54	3.193	4.315	2284.	1.919	76.60
U.S. Dollar	0.641	1.	2.463	232.5	7.402	2.048	2.768	1465.	1.231	49.13
Deutschmark	0.260	0.406	1.	94.40	3.005	0.831	1.124	594.7	0.500	19.95
Japanese Yen 1.000	2.759	4.301	10.59	1000.	31.83	8.807	11.90	6299.	5.292	211.3
French Franc 10	0.867	1.351	3.328	314.1	10.	2.766	3.739	1979.	1.662	66.38
Swiss Franc	0.313	0.488	1.203	113.5	3.615	1.	1.352	715.3	0.601	23.99
Dutch Guilder	0.232	0.361	0.890	84.01	2.674	0.740	1.	529.2	0.446	17.75
Italian Lira 1.000	0.438	0.683	1.682	158.7	5.054	1.398	1.890	1000.	0.840	33.54
Canadian Dollar	0.521	0.813	2.002	188.9	6.015	1.664	2.249	1190.	1.	39.93
Belgian Franc 100	1.305	2.035	5.013	473.2	15.07	4.168	5.633	2981.	2.505	100.

FINANCIAL FUTURES

Quiet trading

Trading was rather subdued in the London International Financial Futures Exchange yesterday. Recent comments suggesting that U.S. interest rates were still due for a fall were largely ignored if for no other reason than that such a move has been mooted since the beginning of the year. Any hopes of a cut in the U.S. discount rate were dealt a severe blow by last week's money supply figures and reading between the lines some dealers suggested that now the Fed is trying to intimate that rates are unlikely to rise but that a more accommodative monetary stance may be adopted in view of further signs of an economic upturn. Following on this line it may be that the U.S. authorities are holding back for the time being.

Euro-dollar prices opened a little higher on weaker cash prices but movements were confined to a narrow range. Chicago prices were also a little higher but then stabilised ahead of the Fed's $2bn customer repurchase agreement. The June price opened at 91.12, up from 91.06, and traded between a three point range before finishing at 91.13.

Sterling-based contracts were very quiet as business started to dry up ahead of next month's election. There was very little incentive to trade resulting in a marked reluctance to take out fresh positions. The June short sterling price opened at 90.04, up from 90.02, and closed at 90.05. A similar lack of motivation was also seen in gilts although a small improvement was registered during the day as sterling showed a slight improvement. The June gilt rose to 104-01 from 103-31, having opened at 104-10.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	91.13	91.13	91.10	91.06
Sept	90.92	90.92	90.87	90.83
Dec	90.66	90.66	90.63	90.59
March	90.44	90.45	90.43	90.36
June	90.15	90.15	90.15	90.08

Volume 1,772 (2,288)
Previous day's open int. 4,320 (4,256)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4310	0.4310	0.4301	0.4281
Sept	0.4340	0.4340	0.4340	0.4313
Dec	—	—	—	—

Volume 230 (76)
Previous day's open int. 368 (416)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	77-09	77-18	77-06	77-09
Sept	76-25	77-00	76-20	76-24
Dec	76-10	76-17	76-06	76-08
March	75-27	76-01	75-24	75-26
June	75-15	75-20	75-12	75-14
Sept	75-04	75-04	75-02	75-03
Dec	74-27	74-31	74-25	74-26
March	—	—	—	74-18

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	70-27	70-28	70-22	70-24
Sept	70-05	70-06	70-00	70-01
Dec	69-15	69-16	69-10	69-12
March	68-28	68-30	68-25	68-25
June	68-12	68-13	68-11	68-11
Sept	68-00	68-03	67-30	67-30
Dec	67-21	67-21	67-20	67-20
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

A softer tone in London

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Interest rates had a slightly softer tone on the London money market yesterday, encouraged by the obvious willingness of the authorities to provide adequate help on monthly published figure day for the banks.

Trading was generally very quiet however, with interbank rates on a flat yield curve of around 10⅛ per cent for all periods from 1 week to 1 year, reflecting uncertainty about the future direction of the market. Apart from nervousness about the UK election, hopes of a cut in U.S. rates have faded recently.

The Bank of England forecast a money market shortage of £350m, in the morning, but this was revised to £400m in the afternoon, although no further assistance was provided at that time. All the help was given before lunch when the Bank of England bought £389m bills.

Major factors behind the shortage were: bills maturing in official hands and a take-up of Treasury bills of £348m, plus a rise in the note circulation of £70m. These were partly offset by Exchequer transactions of £100m.

In the morning the authorities bought £96m bank bills in band 2 (15-33 days) at 10 per cent; £101m bank bills in band 3 (34-63 days) at 9⅞ per cent; £36m Treasury bills in band 4 (64-91 days) at 9¾ per cent; and £156m bank bills in band 4 (64-84 days) at 9¾ per cent.

In Paris the Bank of France offered to buy first category paper maturing between June 1 to 10; June 15 to 29; and July 1 to 20 to add liquidity to the domestic money market. Call money remained at 12¼ per cent yesterday, and the authorities are not expected to change the intervention rate from 12¼ per cent when announcing the rate and scale of intervention on Friday.

In Amsterdam the money market was uneasy, and the domestic bond market weak, after the Dutch National Bank announced the terms of its new liquidity advance. A total of Fl 2.457bn in special liquidity was allocated at a rate of 5⅜ per cent. Although slightly below the cost of the previous advance the term of seven days is short, and may indicate concern that the guilder is still weak after the last realignment of the European Monetary System.

LONDON MONEY RATES

May 18 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	5-10⅛	10-10¼	—	—	9-10½	5-10¼	—	—	—
2 days notice	—	—	10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10$\frac{1}{16}$-10$\frac{3}{16}$	10¼	—	—	10½	10-10⅛	—	—	—
One month	10⅛-10¼	10$\frac{1}{16}$-10$\frac{3}{16}$	10¼	10⅞-10⅝	10¼	10½	10	10-10$\frac{1}{32}$	10$\frac{1}{16}$	10$\frac{11}{16}$
Two months	10$\frac{1}{16}$-10¼	10$\frac{1}{16}$-10$\frac{3}{16}$	10¼	10⅞-10½	10¼	10½	9⅞	9$\frac{15}{16}$-9$\frac{31}{32}$	9$\frac{15}{16}$-9$\frac{31}{32}$	10$\frac{9}{16}$
Three months	10¼-10$\frac{5}{16}$	10¼-10⅜	10¼	10¾-10⅜	10⅜	10½	9¾	9⅞	9$\frac{29}{32}$	10$\frac{7}{16}$
Six months	10⅛-10$\frac{7}{32}$	10¼-10⅜	10¼	10⅜-10	10⅜	—	—	—	9$\frac{13}{16}$	10⅛
Nine months	10$\frac{3}{32}$-10$\frac{3}{16}$	10¼-10⅜	10¼	[illegible]	[illegible]	—	—	—	—	—
One year	10$\frac{1}{32}$-10$\frac{1}{8}$	10¼-10⅜	10$\frac{1}{16}$	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	10⅜	[illegible]	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period April 6 to May 3 1983 (inclusive) 10.304 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 11⅛ per cent; five years 11⅜ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9¾-9⅞ per cent; four months trade bills 10⅛ per cent.

Approximate selling rate for one month Treasury bills 9¾-10 per cent; two months 9¾-9⅞ per cent; three months 9¾ per cent. Approximate selling rate for one month bank bills 10⅛ per cent; two months 9¾ per cent and three months 9⅞ per cent; trade bills one month 10$\frac{7}{16}$ per cent; two months 10⅛ per cent; three months 10⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from May 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6⅞ per cent.

Treasury Bills: Average tender rates of discount 9.7471 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10⅛ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 18	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

11.00 a.m. MAY 18

3 month U.S. dollars		6 months U.S. dollars	
bid 8 15/16	offer 9 1/16	bid 9	offer 9 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK: Prime rate 10½; Fed funds (lunch-time) [illegible]; Treasury bills (13-week) 8.09; Treasury bills (26-week) 8.15

GERMANY: Lombard 5.0; Overnight rate 5.0; One month 5.25; Three months 5.30; Six months 5.35

FRANCE: Intervention rate 12.5; Overnight rate 12.25; One month 12.5; Three months 12.5; Six months 12.625

JAPAN: Discount rate 5.5; Call (unconditional) 6.09375; Bill discount (3-month) 6.65375

SWITZERLAND: Discount rate 4; Overnight rate [illegible]; One month [illegible]; Three months [illegible]

NETHERLANDS: Discount rate [illegible]; Overnight rate [illegible]; One month [illegible]; Three months [illegible]; Six months [illegible]

$ CERTIFICATES OF DEPOSIT: One month [illegible]; Three months [illegible]; Six months [illegible]; One year [illegible]

LONG TERM EURO $: Two years 10-10⅛; Three years [illegible]; Four years 11-11⅛; Five years 11¼-11⅜

SDR LINKED DEPOSITS: One month [illegible]; Three months [illegible]; Six months [illegible]; One year [illegible]

ECU LINKED DEPOSITS: One month [illegible]; Three months [illegible]; Six months [illegible]; One year [illegible]

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